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FINAL REPORT
OF THE
SPECTAL FINANCE
COMMITTEE
1922

GOVERNMENT OF MYSORE

FINAL REPORT

OF THE

SPECIAL FINANCE COMMITTEE

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BANGALORE:
PRINTED AT THE GOVERNMENT PRESS
1922

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FINAL REPORT OF THE SPECIAL FINANCE COMMITTEE.

To

A. R. BANERJI, ESQ., M.A., C.S.I., C.I.E.,
Dewan of Mysore,
Bangalore.

SIR,

With reference to Government Order No. 4899-4952—C. B. 171-21-1, dated the 3rd February 1922, (printed as Appendix No. I) we have the honour to submit the Final Report of the Special Finance Committee. The Committee was appointed for scrutinising the financial position of the State and making recommendations for restoring the equilibrium of the budget and it was constituted as follows :—

Rajasabhabhushana Diwan Bahadur K. P. Puttanna Chetty, C.I.E., Member of Council (Rtd.) *Chairman*

1. Rao Bahadur M. C. Ranga Iyengar, B.A., Advocate and Member of the Legislative Council, Mysore.
2. Rao Saheb H. Chennaiya, Retired Sub-Judge and Member of the Legislative Council, Bangalore.
3. Mr. S. R. Balakrishna Rao, B.A., LL.B., Advocate and Member of the Representative Assembly, Shimoga.
4. Mr. Mahomed Abbas Khan, Timber Merchant, Member of the Representative Assembly and Legislative Council, Bangalore.
5. Mr. C. S. Balasundaram Iyer, B.A., Inspector-General of Education in Mysore, Bangalore.
6. Mr. M. N. Krishna Rao, B.A., Financial Secretary to Government, Bangalore.

Members.

Mr. B. Srinivasa Iyengar, B.A., B.L., Senior Assistant Commissioner ... *Secretary.*

TERMS OF REFERENCE.

2. The terms of reference were :—

(*a*) Reviewing the State's finances for the past five years with a view to ascertain the causes of the deficit in the revenue position ;

(*b*) Formulating proposals for wiping out the deficit and restoring financial equilibrium :

(i) by retrenchment and economy of expenditure without impairing the efficiency of essential services and

(ii) by improvement of revenue and resources, including enhanced taxation, if found unavoidable ;

(*c*) Preparing a forecast of revenue and expenditure for the next three years so as to result in a balanced budget after providing for the necessary financial reserves, such as, Famine Reserve and Sinking Fund for loans, as well as for renewals and replacements of the State Railways;

(*d*) Preparing a forecast of capital demands under all heads for the next three years with reference to the resources (including loans) that may be counted upon ;

(*e*) Examining past policy in regard to Public Debt, Investments and Ways and Means operations including the utilisation of Reserve and Depreciation Funds, and suggesting changes if considered necessary.

Work of the Committee.

3. The Chairman of the Committee entered on his duties on 6th February 1922. We commenced regular sittings on 13th idem and have met 100 times.

4. All the budget heads and the expenditure of Service Departments have been closely examined with the Heads of Departments and other officers concerned. We have endeavoured to elicit public opinion regarding retrenchments and improvement of revenue by inviting some leading non-official gentlemen for personal discussion and calling for constructive suggestions on subjects in which they were interested. At our request the Law Associations of Bangalore, Mysore and Shimoga deputed a representative each to give evidence in their behalf before the Committee.

Thirty-one officers of Government and twenty-one non-official gentlemen appeared before the Committee and gave evidence, supplemented in some cases by written memoranda. A list of the several witnesses, official and non-official, with whom we had the benefit of personal discussion is appended to this report. (*Vide* Appendix II.)

5. We inspected the Central Industrial Workshop, the Art Workshop, the Soap Factory, the Weaving Factory and the Arts and Crafts Depot in company with Mr. D'Souza, Director of Industries and Commerce. The Hebbal Experimental Farm was inspected by us on 23rd June 1922, when the Director of Agriculture Dr. Coleman and the Live-Stock Expert Mr. Davison explained to us in detail the experiments conducted in the matter of growing food crops and fodder and dairy and sheep farming.

Interim Report.

6. As our review covered a very wide range of subjects extending over the whole administration and as the examination was expected to continue for some months, we have kept the Government regularly informed of the progress of our work and deliberations by weekly diaries and submitted our recommendations from time to time on matters investigated by us, in order to enable Government to pass orders on them and save avoidable expenditure.

At the desire of Government we submitted an Interim Report on the 31st May 1922 for being placed before the Representative Assembly and the Legislative Council. It contained proposals for effecting retrenchments to the extent of Rs. 31·84 lakhs recurring and Rs. 1·55 lakhs non-recurring and for improving revenue to the extent of Rs. 3·64 lakhs recurring and Rs. 26·80 lakhs non-recurring and the conclusions arrived at in that report are for convenience and facility of reference incorporated in the Final Report.

Final Report.

7. We now proceed to submit our considered opinions and recommendations in regard to the several points referred to us by Government in the order of reference as well as other matters germane to the subject. This report is divided into chapters dealing with each term of reference separately.

Review of Five Years' Finances.

8. In the First Chapter of the Report the State's Finances for the past five years are briefly reviewed, the extent of the deterioration in the revenue position calculated and the causes of the unsound condition analysed. We have found that one of the most important factors which contributed to the financial embarrassment was the incurring of heavy expenditure from Loan Funds on projects, some of which have so far proved unproductive or which yield only a small fraction of the expected return, resulting in the consequent liability to meet the interest and sinking fund charges from the General Revenue Account.

Proposals for Balancing the Budget.

9. From a review of the revenue resources and the scale of expenditure provided for in the budget of 1921-22 we find that the deficit amounts to about Rs. 42 lakhs, practically representing the interest and sinking fund charges of

the Rupee Loans of about 335 lakhs contracted within the past two years chiefly for financing capital works.

The Second Chapter deals with proposals for extinguishing this deficit and for restoring financial equilibrium and our conclusions are, that very early steps should be taken for effecting retrenchments and economies to the extent of about Rs. 35½ lakhs and for improving revenues by about 8½ lakhs. Our recommendations regarding retrenchments are contained in Section II and about improvement of revenue and resources in Section III of that chapter.

As it was not possible to cover the budget deficit fully by retrenchments alone without detriment to the essential services, we have considered it necessary to recommend additional taxation so as to secure an extra annual income of about five lakhs under V Stamps and VI Registration.

Forecast of Revenue and Expenditure.

10. In the Third Chapter we have prepared a forecast of revenue and expenditure for the next three years based on our proposals, so as to result in a balanced budget after providing for all reserves considered necessary for stabilising the State's finances.

In framing the current year's budget, Government have in accordance with our recommendations brought down the level of expenditure by about Rs. 11 lakhs. Assuming that further retrenchments to the extent of about Rs. 24 lakhs will, as recommended by us, be effected during the next 12 months, and anticipating an improvement of revenue by about Rs. 24 lakhs during the next three years, we have estimated that the Revenue Budget will be brought into equilibrium by the end of 1925-26.

Capital Programme.

11. The Fourth Chapter deals with the capital programme. In our Interim Report we suggested that the total capital expenditure for 1922-23 should be limited to the available cash resources, *viz.*, about half a crore of rupees and that further borrowing should be avoided. We are glad to find that Government have, in preparing the current year's budget, accepted our recommendation and restricted the grant for capital works to 46·54 lakhs *plus* one lakh for Bhadra project.

We have also prepared a forecast of capital demands under all heads for the next three years, taking into account the several resources that may be counted upon *excluding loans.* We are emphatically of opinion that, in order to ensure the stabilisation of the finances of the State, no public loan should be raised for some years to come and that our capital requirements should be limited to the extent to which the treasury can supply funds without resort to such loan. We accordingly recommend that the total expenditure on capital works during the next triennium should not be permitted to exceed Rs. 120 lakhs and that it should be so spread over the three years as not to cause undue strain on the treasury in any one year.

General Observations, Summary of main recommendations, and conclusion.

12. In the Fifth Chapter we have discussed the policy in regard to public debt and investments and ways and means operations generally, including the utilisation of reserve and depreciation funds. Our recommendation is that the contributions to the Famine Reserve and the Rupee Loan Sinking Fund should be scrupulously kept in the form of easily realisable securities and that they should on no account be utilised for capital expenditure, even temporarily. We have suggested certain changes regarding the separation of these securities from the liquid investments required to be maintained against Savings Bank deposits, State Life Insurance Fund, and other liabilities at call. We have recommended that urgent action may be taken to obtain permission from the Government of India to appropriate, towards the Rupee Loan Sinking Fund, the Sterling Loan Sinking Fund deposited with them, with a view to relieve the strain on the Revenue Budget.

In the Sixth and concluding Chapter we have summarised our main recommendations and drawn attention to certain important points which have emerged in the course of our investigations.

CHAPTER I.

Review of Five Years' Finances.

13. The first term of reference to the Committee requires a review 'of the State's finances for the past five years with a view to ascertain the causes of deficit in the revenue position.' The latest quinquennium for which actuals are available is the period ending with 1920-21 and the appended Statement shows the course of revenue and expenditure in the period from 1916-17 to 1920-21. The revised estimates of the year1921-22 are also entered in the statement for purposes of comparison with previous year's actuals.

Figures in 000.

Statement showing five years' finances	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22 Revised Estimate
Receipts.						
I. Land Revenue	1,08,83	1,07,35	99,51	1,16,78	1,08,30	1,12,24
II. Forest	44,97	44,43	32,10	42,06	32,32	24,36
III. Excise	59,22	62,26	66,90	72,45	77,22	74,50
IV. Income and Miscellaneous Taxes	3,03	35	32	45	8,11	11,31
V. Stamps	11,51	12,35	12,72	16,09	15,70	15,80
VI. Registration	2,27	2,38	2,45	3,31	3,10	3,15
VII. Surplus Revenue of C. & M. Station.	10,02	....	9,28	..	..	....
VIII. Mining Revenues	17,61	16,24	14,46	12,44	14,82	15,29
IX. Interest	8,12	13,58	9,92	13,34	10,64	11,01
X to XXIII. Receipts of Service Depts. ..	8,49	8,77	9,69	11,04	10,55	8,82
(A).						
XXIV. Railways (Net)	11,23	14,28	14,87	18,07	10,91	8,28
XXV. Krishnarajasagara Works. (Net)	3,61	3,73	3,24	3,19	3,69	4,92
XXVI. Electrical Works. (Net) ..	12,32	14,07	13,29	8,48	13,44	18,83
XXVII. Sandal Oil Factories (Net) ..	—2,70	15,24	5,57	—4,62	4,46	27
XXVIII. K. G. F. Water Supply. (Net)	53	23	—8	4	—13	....
XXIX. Industrial Works (Net) ..	..	..	..	..	..	—2,04
Total Revenue from productive works (A) ..	24,99	47,55	36,89	25,16	32,37	30,26
Total Revenue	2,99,06	3.15,25	2,94,24	3,13,12	3,13,13	3,06,74
*Deficit	..	..	..	..	23,20	16,53
Total ..	2,99,06	3,15,25	2,94,24	3,13,12	3,36,33	3,23,27
Expenditure						
(B)						
Direct Demands on Revenue ..	34,69	36,42	39,44	43,26	50,29	45,88
Charges against Mining Revenue ..	1,78	1,71	1,94	2,10	2,03	2,29
Palace	23,50	23,50	23,50	23,50	23,50	23,50
Civil Administration	27,53	30,43	32,86	49,25	39,94	40,09
Protection	26,56	27,97	34,01	33,45	41,42	39,16
Public Works	29,21	29,24	37,60	36,19	37,17	31,31
Moral and Material Development ..	34,32	39,24	51,86	48,48	60,93	53,09
Local Self-Government	8,03	8,74	6,27	6,40	5,51	3,17
Army and Defence	50,52	50,10	52,97	59,09	60,98	54,48
Miscellaneous Railway and Electric Expenditure.	1,71	1,43	1,05	93	59	16
Total (B) ..	2,37,85	2,48,78	2,81,50	3,02,65	3,22,36	2,93,13
Interest on loans and other obligations..	5,52	6,09	5,94	7,94	13,97	30,14
(C)						
Total Revenue expenditure (B) and (C)	2,43,37	2,54,87	2,87,44	3,10,59	3,36,33	3,23,27
*Surplus	55,69	60,38	6,80	2,53	..	..
	2,99,06	3,15,25	2.94,24	3,13,12	3,36,33	3,23,27
Capital Outlay not charged to Revenue—						
Railways and Tramways	22,41	16,31	15,39	24,40	31,27	63,19
Krishnarajasagara Works	19,99	15,75	15,59	16,68	15,27	9,05
Cauvery Power Works	3,31	5,83	3,90	10,13	12,24	35,50
Industrial Works	3,13	2,20	8,29	25,98	59,22	46,52
Other Works	15	72	—50	5	92	58
Total ..	48,99	40,81	42,67	77,23	1,18,92	1,54,84

* *Note*—In calculating the annual surplus or deficit, the interest accrued on reserve fund balances is omitted and no allowance has been made in the revenue account for the financial reserves. The additions to and deductions from balances of departments and reserves according to the scheme of Financial Settlement are omitted in the calculation of the results of the year's transactions. Hence they vary from the published accounts of the years concerned.

14. The above statement is prepared on the following lines in order to indicate clearly the true position of the State's finances during the period. On the revenue side the figures are given by major heads except in the case of departments included in the groups "Civil Administration," "Protection," "Public Works," "Moral and Material Development," and "Army and Defence," the receipts of which are clubbed together and shown as one figure. On the expenditure side the figures are entered for groups of departments. Interest on loans, etc., is shown separately from all other revenue charges and all the reserves including Famine Reserve, Mining Revenue Capitalization Fund and the Sinking Fund for loans are omitted. The interest chargeable on the balances of such reserve funds is also omitted. The adjustments on account of additions to and deductions from balances of departments and reserves according the scheme of Financial settlement are not exhibited in the statement.

15. The total annual revenues during the past five years ranged between Rs. 294·24 lakhs and Rs. 315·25 lakhs and the average was about Rs. 307 lakhs. The total revenue expenditure rose from Rs. 243·37 lakhs to Rs. 336·33 lakhs and the growth of expenditure was continuous throughout the period. The increase in the annual level of expenditure in the quinquennium, measured with reference to the standard in the first year, was Rs. 11½ lakhs in the second year, Rs. 44 lakhs in the third year, Rs. 67¼ lakhs in the fourth year, and Rs. 93 lakhs in the fifth year. Comparing the first and last years of the period it will be seen that the expenditure in the latter year not only absorbed the surplus of Rs. 55·69 lakhs in the former and the increase in the total revenue of Rs. 14 lakhs including the new revenue from Income-tax, but also left a gap of Rs. 23·20 lakhs. The deficit of Rs. 23·20 lakhs does not, however, represent the full deterioration in the financial position. The large annual surpluses made it possible in the past not only to contribute to the Famine Insurance Reserve and the Loan Sinking Fund, and the other reserves necessary for financial stability, but also to set aside for capital purposes the royalty on gold. The position has now completely changed and the total revenues do not even suffice for meeting the present demands of service departments after providing for all obligatory expenditure. The contributions to the essential reserves, such as Famine Insurance and Loan Sinking Funds, should form the first charge on the annual revenues and taking this important factor into calculation, the real shortage in the last year of the quinquennium was Rs. 43·60 lakhs as worked out and shown in the subjoined statement.

(In Thousands of Rupees.)

Five years finances in abstract	1916-17	1917-18	1918-19	1919-20	1920-21	Revised, 1921-22
A Total Revenue	2,99,06	3,15,25	2,94,24	3,13,12	3,13,13	3,06,74
B Actual expenditure	2,43,37	2,54,87	2,87,44	3,10,59	3,36,33	3,23,27
Surplus+ Deficit— (A—B) Without allowing for the Financial reserves or taking into account interest accrued on reserve fund balances.	+55,69	+60,38	+6,80	+2,53	..	..
	..	..	..	..	—23,20	—16,53
Interest on Reserve Fund balances ..	99	1,67	1,85	3,27	3,98	3,98
Contribution to Reserves.—						
Mining Revenue Capitalization Fund ..	9,27	8,72	7,11	6,03	7,62	7,47
Sinking Fund	3,33	3,33	3,33	3,33	3,80	18,78
Famine Reserve	5,00	5,00	5,00	5,00	5,00	5,00
C Total of Interest on balances of and annual contribution to Reserves	18,59	18,72	17,29	17,63	20,40	35,23
D Total expenditure including Reserves (B+C).	2,61,96	2,73,59	3,04,73	3,28,22	3,56,73	3,58,50
Surplus+ Deficit— (A—D) After allowing for the Financial reserves and taking into account interest accrued on reserve fund balances.	+37,10	+41,66	..	..	..	..
	..	..	—10,49	—15,10	—43,60	—51,76

16. A comparison of the revenue position disclosed by the revised estimates of the year 1921-22 with that in 1920-21 will show that in spite of attempts made to curtail departmental expenditure by over Rs. 29 lakhs, *i.e.*, from Rs. 322·36 lakhs in 1920-21 to Rs. 293·13 lakhs in 1921-22, (*Vide* Statement at B on page 4) the deficit condition has been rendered worse by the raising, in the later year, of the large loan of 2¼ crores for financing capital works, the bulk of the expenditure on which is not of an immediately remunerative character.

17. It is clear from what is stated above that expenditure during the period under review was permitted to grow quite out of all proportion to the available resources. The causes responsible for the present unsound condition of the finances may be considered under three broad heads :-(1) ordinary revenue, (2) service expenditure, and (3) capital works.

18. The mainstay of our resources is the revenue from Land, but it has on the whole remained stationary at Rs. 108 lakhs throughout the period. The accretion of revenue properly due to Government in 28 taluks, for which the period of original settlement expired long ago, has not been realised. In some cases, the revision has been overdue for over 12 years. It is believed that a large number of revenue darkhasts is pending disposal for long periods resulting in loss of revenue. The annual revenue from Forest exceeded Rs. 40 lakhs in three out of the five years and the bulk of the improvement over the level of revenue in the other two years was due mainly to the high prices which sandalwood realised. After the war, there was a fall in the market for sandal oil and consequently less consumption of sandalwood by the Government Factory and a substantial decline in the revenue under Forest, dislocating the financial position. Excise is the only item of revenue which showed a steady expansion and its growth from Rs. 59¼ lakhs to Rs. 77¼ lakhs was similar to the corresponding improvement in other parts of India. Income-tax was levied from July 1920 and this accounts for the increase in revenue under head IV. Income and Miscellaneous taxes in the last year of the quinquennium. The receipts from Stamps increased by about Rs. 4 lakhs only and the Committee believes that the improvement should have been much larger under a stricter administration and closer supervision of the working of the stamp laws.

Two payments were received in the period under review on account of Surplus revenues of the Civil and Military Station, one of Rs. 10 lakhs in 1916-17 and another of Rs. 9·28 lakhs in 1918-19. The revenue due from 1918-19 has not been paid by the Government of India and the matter is said to be under correspondence. In view of the uncertainty as to the exact amount of the annual surplus available for transfer to the State, these amounts should not have been taken as representing a normal level of revenue and counted upon for increasing the permanent cost of administration.

There has been a continual decline in the Mining Revenue in the first four years of the period under review and this was due to reduction in the output of gold from the Mines and to unfavourable exchange. Though the exchange is now becoming more favourable, the reduced output from the Mines coupled with the fall in the price of gold continues to prejudicially affect the revenue from this source.

The net revenue from ' Productive Works,' *e.g.*, Railways, Krishnarajasagara, and Electrical Works and the rest shows a rise during the period of review of only 7·38 lakhs, *i.e.*, from 24·99 lakhs to 32·37 lakhs, and this increase bears an inappreciable proportion to the large capital outlay of 329 lakhs financed during the said period.

In spite of an improvement of about 22 lakhs in the gross earnings, the net earnings of Railways have in the last year of the period under review practically remained at the first year's level owing to the increased scale of working expenses. There is some increase of revenue under Electrical Works but it has been affected by the oscillation in exchange. The profits of Sandal Oil Factories have fluctuated violently owing to the largely varying price of oil and demand for the commodity.

19. The expenditure on almost all the service departments has increased by leaps and bounds. Comparing the first and last years of the quinquennium, it will be seen that there was an increase of about Rs. 26½ lakhs under ' Moral and Material Development,' Rs. 15½ lakhs under ' Direct Demands on Revenue,' Rs. 15 lakhs under ' Protection,' Rs. 12½ lakhs under ' Civil Administration, ' Rs. 10½ lakhs under ' Army and Defence ' and Rs. 8 lakhs under ' Public Works.'

20. The increase in service expenditure during the period under review was so large as 84½ lakhs in a year and was chiefly due to the following causes :—

(i) Revision of establishments in departments like Land Revenue, Forest, Excise, General Administration, Police and Medical.

(ii) Expansion and development of activities under Education, Agriculture, and Industries and Commerce Departments.

(iii) Increased expenditure under Army due to the War.

(iv) Introduction of new schemes like the separation of Judicial and Executive functions.

(v) Construction of numerous costly public buildings.

(vi) Enhanced cost of medicines and hospital necessaries, equipment and clothing, articles of stationery and other supplies, consequent on a general rise in the level of wages and prices.

(vii) Improvement in the pay of subordinate staff on account of rise in prices of necessaries of life.

21. There is no limit to the number of desirable and useful measures which may be undertaken for improving and developing the administration. But there is always a limit to the amount which can be made available for such purposes. The zeal for departmental efficiency and progress and for undertaking measures of reform and expansion should not be permitted to outrun the limits of finance. The capacity of the State to add to its revenues is gradual and limited, as it has practically no elastic sources of revenue. There should always be a fair margin of excess of revenue over expenditure to enable the State to withstand any dislocation caused by factors beyond its control and tending to reduce its resources. Otherwise, the administration will be subject, as it now is, to violent contraction with all the waste, dislocation and disappointment inevitable, when the activites of departments have to be suddenly curtailed to restore financial equilibrium.

22. The programme of capital works in the quinquennium under review was exceptionally heavy and the total expenditure incurred on them amounted to Rs. 329 lakhs. For financing this programme the securities in the investment account were first pressed into service and a public loan of about Rs. 140 lakhs was also raised in 1920.

At the beginning of the quinquennium, the State held securities of the market value of Rs. 199½ lakhs and just before its close the corresponding value of the holding was only Rs. 55 lakhs. The reduction of Rs. 144½ lakhs was partly the result of depreciation in the capital value of the holding, but the bulk of it was due to the disposal of securities for financing large projects like the Krishnarajasagara and the Iron Works. As these projects are still incomplete and have not realized expectations, the sale of the holding has only had the effect of reducing the liquid reserve of the State and the annual income from interest on investments in securities.

The flotation of a second loan in the year 1921-22 was found to be necessary for restoring the depleted liquid reserve and for financing further capital outlay. Expenditure on most of the Railways including the Mysore-Arsikere Line, on the second stage of the Krishanarajasagara Project and on the Iron Works is either totally unremunerative so far, or yields but a very poor return, the consequence being that the interest and sinking fund charges of the loans contracted for financing these works have become a burden on the general revenues and necessitated measures of retrenchment even in departments of beneficial activity like Education, Medical and Sanitation. The cost of many of these projects has largely exceeded the estimates and thus added to the unproductive debt of the State. Some works which were started without sufficient resources to carry them out have had to be abandoned, involving a serious loss. As additional expenditure has not brought in more revenue, the income from productive works has not on the whole improved.

23. The causes which have rendered the State's financial position unsound may now be summarised :—

(i) Sufficient attention was not paid to the development of certain permanent sources of revenue, such as Land Revenue and Stamps. The revision settlement has not received adequate attention.

(*ii*) Want of due appreciation as between stable and unstable sources of revenue, in the matter of utilizing them for permanent or recurring expenditure.

(*iii*) Utilising the entire receipts from Mining Royalty as a normal item of revenue for ordinary administration.

(*iv*) Raising the standard of service expenditure out of all proportion to the average level of ordinary revenue.

(*v*) The starting of new services and expansion of activities of old service departments, simultaneously on a large scale.

(*vi*) Undertaking construction of numerous large buildings and other works without reference to the money available for completing them.

(*vii*) Simultaneous undertaking of a number of large capital works without reference to the resources available for financing them.

(*viii*) Raising of large loans for expenditure on projects which have proved wholly unproductive or which yield only a small fraction of the expected return and the consequent loss of interest income and the creation of an unproductive debt, the service of which is a burden on ordinary revenues.

(*ix*) Increase in the cost of establishment and of supplies and services on account of rise in prices and wages.

———

CHAPTER II.

Proposals for Balancing the Budget.

Section I—Present Position.

24. The second term of reference requires the Committe to 'formulate proposals for wiping out the deficit in the revenue position and restoring financial equilibrium :

(i) by retrenchment and economy of expenditure without impairing the efficiency of essential services and

(ii) by improvement of revenue and resources including enhanced taxation, if found unavoidable.'

25. To enable the Committee to determine the extent of the deficit in the revenue position and to decide on the measures to be taken for balancing the budget, the present revenue resources and the level of expenditure to be met out of them were first considered. Against a total revenue of Rs. 299 lakhs, the demands aggregate Rs. 341 lakhs, resulting in a deficit of Rs. 42 lakhs.

26. The subjoined statement shows the estimate of revenue under the Major Heads, as gathered from the materials placed before the Committee :—

Major heads	Estimate in lakhs	Remarks
	Rs.	
I. Land Revenue ...	112	The estimate of 1921-22 was high as it anticipated collection of large amount of arrears. In view of past actuals, 112 is as far as we could go. The accretion due to resettlement operations will materialise from next year and is taken into account in the Committee's forecast.
II. Forest	26	Based on the revised estimate of 1921-22. The estimate of sandalwood is framed on the understanding that only one factory is expected to work. Revenue from supply of fuel to Iron Works is not taken into account.
III. Excise	68	This is a safe estimate as consumption is on the decline.
IV. Income Tax	11	Based on the revised estimates of 1921-22.
V. Stamps	16	Do
VI. Registration	3	Do
VII. Assigned Tract Revenue ...	Nil	Pending correspondence with Government of India. Fluctuating item of revenue : it is best utilised for capital expenditure. Hence omitted in the revenue account.
VIII. Mining Revenue ...	13	The output is on the decline and premium on gold is tending to disappear.
IX. Interest	5	Based on the securities in the investment account. Interest of 2 lakhs on the securities belonging to the Famine Insurance Fund is for the sake of clearness omitted from the General Revenue Account both on the Receipt and Expenditure side.
X. to XXIII. Receipts of service departments.	9	Based on the budget for the year 1921-22.
XXIV. Railways	9	Increase due to enhancement of passenger fares taken into account. Renewal and replacement programme is proposed to be taken up in six years in easy instalments.
XXV. & XXVI. Krishnarajasagara and Electrical Works.	27	As per Chief Electrical Engineer's forecast.
XXVII. Sandal Oil Factory ...	Nil	Sandalwood Revenue of 10 lakhs has been assumed under Forest. No net revenue is assumed under this head.
XXVIII. Kolar Gold Field Water Works.	Nil	Net receipts will go to form the Depreciation Fund. Hence no estimate of revenue.
XXIX. Industrial Works, Iron Works, etc.	Nil	No definite information as to whether the Industrial Works or the Iron Works will yield a net profit to Government or result in loss. Hence no estimate either way.
Total ...	299 lakhs	

27. As against the above resources there is an obligatory expenditure of about Rs. 103 lakhs as per details given in the margin (A) which is the first demand to be met from the annual revenues. Under the terms of the order appointing the Committee, provision for Famine Reserve and the Loan Sinking Fund has also to be made in the annual budgets. Accordingly a sum of Rs. 24 lakhs, *i.e.*, 19 lakhs for Sinking Fund plus 5 lakhs for Famine Reserve has to be earmarked for these purposes. A sufficient provision for renewals and replacement of rolling stock and permanent way has been allowed for in the calculation of net receipts under railways. After meeting all these obligatory items aggregating Rs. 127 lakhs the amount available out of the annual revenues of the State for expenditure by service departments is about Rs. 172 lakhs. As against this resource the demand by the service departments based on the budget estimates of 1921-22 amounted to about Rs. 214 lakhs.

	Rs. in Lakhs Rs
Subsidy ..	35
Interest ..	31½
Palace ..	24½
Pensions (Civil & Military)	12
A.	103
Rupee Loan Sinking Fund	19
Famine Reserve ..	5
B.	24
Total A. & B.	127

28. Action has therefore to be taken for improving the revenue position by about 42 lakhs by reducing expenditure and adding to the resources so as to balance the budget. The Committee's recommendations are, that recurring expenditure should be reduced by Rs. 35½ lakhs and immediate steps taken for improving revenues to the extent of Rs. 8½ lakhs annually, according to the detailed proposals contained in Sections II and III of this chapter. (*Vide* Abstract on page 11.)

29. As regards retrenchments the following procedure was adopted by the Committee :—

The growth of expenditure during the past five years in each department was first examined and the extent of provisional reduction in each of them which the Committee considered at first sight feasible roughly estimated. The Head of the Department or the Officer concerned was requested to furnish the Committee with suggestions for reducing expenditure in his department, by abandoning or curtailing non-essential services, cutting down superfluous establishments, proposing decentralisation or simplification of work wherever possible and by curtailing unnecessary expenditure in other directions. On receipt of the views and suggestions of each Head of Department he was invited for a personal discussion with the Committee. The criticisms and suggestions of representative non-official gentlemen were also considered by the Committee. The present scale of salaries of higher appointments in the State Service was examined and the Committee considered also what activities and schemes in operation involving heavy expenditure may be suspended in this financial stress. On a full consideration of all the materials placed before it, the Committee has been able to submit for the consideration and orders of Government the following recommendations for reduction in expenditure to the extent of about 35½ lakhs of rupees recurring and 1½ lakhs non-recurring. (*Vide* Resolutions Nos. 1 to 41 in Section II *infra.*)

The question of securing some economy by reducing the number of Revenue districts by one or two was also examined by the Committee ; but it has not been considered advisable to make any recommendation on this subject except as a last resort. The measure would be felt by a large section of the people as too drastic, affecting as it would, the long established territorial arrangement for land revenue and judicial administration.

In submitting the several resolutions for reduction of State expenditure, the Committee desires to explain that it is not claimed that the items recommended for retrenchment do not serve any public interests whatsoever, or that there are no alternative proposals which can be framed for restoring the finances to order. It may be thought that some of the suggestions are rather 'radical' but the Committee considers that it is worth while making even a radical experiment for the sake of retrenchment in order to balance the Budget.

ABSTRACT OF ECONOMIES AND RETRENCHMENTS IN EXPENDITURE AND IMPROVEMENTS IN REVENUE, RECOMMENDED BY THE COMMITTEE VIDE PARA 28, PAGE 10.

Reference to page	No. of Resolution		Savings per annum in thousands of rupees: Recurring	Non-recurring
		ITEMS IN CHAPTER II—SECTION II.		
12	1	The Administration	70	
„	2	Staff and Household of His Highness	45	
13	3	Revision of scale of salaries of officers of and above the grade of Deputy Commissioners (Part included in No. 35)	71	
14	6	Economic Conference (Part included in No. 29)	71	
„	7	Grants for Public Improvements	3,83	
„	8	Abolition of post of the Sanitary Commissioner and Health Officers	44	
„	9	Village Savings and Collecting Savings Banks	7	
15	11	Medical (1) *vide* No. 23	90	
„	12	Scientific and Miscellaneous	24	
„	13	Supervision of Mines	12	
„	14	Civil Works—Miscellaneous establishment (included in No. 22) ..	..	
16	15	Civil Secretariat (1) (included in No. 30)	..	
„	16	Land Revenue	32	
17	17	Forest	90	
18	18	Excise	32	
19	19	Stationery and Printing	50	
21	20	Police	1,22	
22	21	Industries and Commerce	87	
24	22	Public Works Department	10,00	
29	23	Medical (2)	36	
30	24	Jails	10	
31	25	Railways (Savings shown on the receipt side)	..	
„	26	Education	4,30	1,55
34	27	Co-operative Societies	22	
35	28	Geology	25	
37	29	Amrut Mahal Department	22	
39	30	Civil Secretariat (2)	63	
40	31	Muzrai	10	
41	32	Kunigal Stud Farm	74	
„	33	Military	1,62	
42	34	Travelling allowance	1,00	
45	35	Duty and other allowances	100	
57	36	Combination of Heads of Departments	17	
58	37	Reduction in Barr Infantry	100	
59	38	„ „ Menial Staff	125	
62	39	Judicial Department	5	
„	40	Comptroller's office	15	
64	41	Agriculture, etc.	25	
		Total (A) (Savings in expenditure) ..	35,71	1,55
		SECTION III.		
65 Para 200		(*a*) Increase in Forest Revenue	2,40	
„		(*b*) „ Medical Receipts	50	
„		(*c*) „ Travellers' Bungalow fees	10	
„		(*d*) „ Co-operative Societies, levy of Court fees on suits..	12	
„		(*e*) „ Receipts from Amrut Mahal Department, sale of lands and assessment thereon ..	50	25,00
„		(*f*) „ „ Kunigal Stud Farm, sale of lands and assessment thereon	2	1,80
66 Para 201		Additional revenue from enhancement of Stamp and Court Fees and Registration Fees	5,09	..
		Total (B) (Increase in revenue) ..	8,64	26,80
		TOTAL IMPROVEMENT—(A) ..	35,71	1,55
		Do (B) ..	8,64	26,80
		GRAND TOTAL ..	44,35	28,35

Section II.—Resolutions regarding Retrenchments and Economies.

Resolution No. 1.—ADMINISTRATION.

30. The Committee recommends that the Administration may consist of one Dewan and two ordinary Members of Council. The pay of the Dewan may be fixed at Rs. 4,000 with no conveyance allowance and that of the Councillors at Rs. 1,800.

The Motor Lorry and its establishment now maintained for carrying the Dewan's luggage on tours may be dispensed with.

Present cost	Proposed	Savings per annum
Salaries Rs. 1,63,000 ..	..	..
Other charges Rs. 22,000 ..	..	..
Total Rs. 1,85,000 ..	1,15,000	70,000

Resolution No. 2.—STAFF AND HOUSEHOLD OF HIS HIGHNESS THE MAHARAJA.

31. In view of the financial stress and the urgent need for economy in all departments, the Committee considers that a *prorata* reduction may be made in the present level of grant under "Staff and Household of His Highness the Maharaja" and that a respectful representation may be submitted to His Highness for graciously effecting a saving of Rs. 45,000 in the grant of Rs. 2,20,000 under this head.

Staff and Household of His Highness the Maharaja	Present cost	Proposed cost	Saving
1. *General Staff*--			
Salaries of Private Secretary to His Highness the Maharaja, of the Huzur Secretary, etc., and Establishment, Travelling Allowance and Contingencies	91,000	....	....
2. Medical Staff	24,000	....	....
3. Palace Lighting	70,000	....	....
4 Saloon and Tour Charges	35,000	....	....
Total ..	2,20,000	1,75,000	45,000

Resolution No. 3.—REVISION OF THE SCALE OF SALARIES OF OFFICERS OF AND ABOVE THE GRADE OF DEPUTY COMMISSIONERS.

32. Without prejudice to the emoluments of the present incumbents, the Committee recommends the following scale of salaries to the several officers of and above the grade of Deputy Commissioners.

The revision will result in an ultimate saving of about Rs. 71,000 per annum.

Designation	Present pay	Proposed pay	Approximate monthly savings
	Rs.	Rs.	Rs.
Chief Judge	3,500	2,000	1,500
Puisne Judges (2) ..	1,500—1,750	1,500	500
Revenue Commissioner ..	1,400+200 duty allce.	1,400	200
Director of Agriculture ..	1,700—2,500	1,200	1,000
Chief Engineer and P. W. Secretary	2,000	1,400	600
Agent, Mysore Railways.. ..	2,000	1,400	600 To be given the charge of Railway Secretary also
Chief Electrical Engineer ..	2,300—2,500 (as per agreement)	1,500 (For a new incumbent)	1,000
Chief Secretary	1,400	No change	....
Financial Secretary	1,400	,,	,,
Revenue and General Secretary ..	Grade pay of Deputy Commissioner +D. A. of 150	Grade pay of Deputy Commissioner plus D. A, Rs. 100	One Secretary to be abolished. Savings against another 50.
Inspector-General of Police ..	1,400	No change.	
Inspector-General of Education ..	1,400	,,	
Senior Surgeon and Inspector-General of Prisons.	1,400	,,	To be given the charge of the Sanitary Commissioner also, the latter post being abolished.
Chief Commandant	1,000—1,400	800—1,200	200
Conservator of Forests	1,300—100—1,400 (Present incumbent gets 800)	800—1,200	500
Comptroller	1,000—1,200	No change	
Survey Superintendent	800—100—1,200	,,	
Deputy Commissioners ..	800 to 1,200	,,	
District Judges			
Director of Geology	1,000—1,200	....	To be abolished.
Vice Chancellor, Mysore University.	Rs. 2,000 plus conveyance allowance Rs 100.	Present incumbent on special agreement for seven years.	
Excise Commissioner	1,400+200 D. A.	1,400	The two offices to be combined and one Head of the Department to be abolished.
Director of Industries and Commerce.	1,400	1,400	
Registrar of Co-operative Societies.	700—1,000	No change	
Superintending Engineers ..	1,000	....	To be abolished.
Chief Inspector of Mines ..	1,000—50—1,200 L.A. 200.	1,000—1,200 with no allowance	
Director of Archæological Researches	800+100.	....	To be abolished.
Muzrai Superintendent and Secy...	Grade pay of a Deputy Commissioner	....	Do

Resolution No. 4.—REDUCTION OF WORK AND STAFF BY DEVOLUTION OF DUTIES, ETC.

33. The Committee has reason to believe that, by a suitable devolution and redistribution of duties and by changing the methods of work, the clerical and other work in the various Government Offices including the Secretariat, can be considerably reduced, leading to administrative efficiency and retrenchment of staff to an appreciable extent, say 25 or 30 per cent. Non-official public opinion is unanimous on this point.

The Committee therefore recommends that Government may be pleased to take immediate steps to start enquiries in this direction by placing an officer on special duty who will work in conjunction with the Heads of Departments and Offices.

Resolution No 5.—VACANCIES NOT TO BE FILLED PERMANENTLY PENDING ISSUE OF ORDERS ON THE COMMITTEE'S REPORT.

34. As considerable reductions in establishments have to be made in attempting to balance the budget, the Committee requests Government that circular instructions be issued to all Heads of Departments and Offices not to fill *permanently* any vacancies in their establishment, whether in executive, clerical, menial or other grades pending the issue of orders on the Committee's report. This remark applies to Gazetted posts also. In the meantime only temporary arrangements may be made if deemed necessary.

Resolution No. 6.—ECONOMIC CONFERENCE.

35. The Committee recommends that the entire scheme of Economic Conference may be suspended for the present, as sufficient funds cannot be found to work the organisation in an effective manner. If the proposal is accepted, the grant provided under the budget head 25 Economic Conference will go, and further savings can be effected in the allotments for travelling allowance and tour charges of several Government officers under other Major Heads.

Resolution No. 7.—GRANTS FOR PUBLIC IMPROVEMENTS.

36. In the budget of 1921-22 a provision of Rs 3,83,000 was made for giving grants for public improvements. The Committee understands that the Improvement works in the Bangalore City have been handed over to the Municipality. In Mysore City also, the Trust Board may be wound up and the works handed over to the Municipality. Government grants for both the cities may be stopped for sometime. All the non-official witnesses examined by the Committee have entered their protest against any part of the State funds being allotted for the City improvements in the present straitened condition of the finances.

The scheme of alloting grants from General Revenues for Sanitary, Malnad, Water-supply and other public improvements may also be suspended.

Resolution No. 8.—WHOLE-TIME SANITARY COMMISSIONER, ETC.

37. The Committee is of opinion that the appointment of whole-time Sanitary Commissioner on pay of Rs. 800—1,200 per mensem may be abolished and the same combined with the Office of the Senior Surgeon. The Senior of the two Assistant Directors in the Public Health Institute may be appointed Personal Assistant to the Senior Surgeon and Sanitary Commissioner.

The Public Health Department as a separate entity may be abolished both at headquarters and in the districts, as sufficient funds cannot be placed at its disposal for effecting sanitary improvements and for prevention of epidemics. Not even a single non-official witness supported the retention of the whole-time Sanitary Commissioner and District Sanitary Officers.

Abstract of savings	*Per annum*
	Rs.
1. Sanitary Commissioner	.. 12,000
2. Moiety of establishment, travelling allowance and contingent grants	.. 4,000
3. Seven Health Officers	.. 21,300
4. Allowance to District Medical and Sanitary Officer, Mysore and Bangalore	.. 1,200
5. Establishment of District Sanitary Officer	.. 2,688
6. Reserve Sanitary Inspectors and Sub-Assistant Surgeons	.. 1,240
7. Reduction under travelling allowance and contingencies in districts ..	.. 1,572
	44,000

Resolution No. 9.—VILLAGE AND COLLECTING SAVINGS BANKS.

38. The Scheme of Village and Collecting Savings Banks and Savings Associations costing about Rs. 7,000 per annum may be abolished. This activity was started in 1916 and the Committee does not think that it need be continued in the present circumstances.

Resolution No. 10.—Raising the Age Limit for Superannuation.

39. To save pension charges which are on the increase, 12 lakhs, the Committee recommends that as a general rule the age of superannuation may be raised from 55 to 57. Some of the members are of opinion that it may be raised to 60. Mr. K. L. Datta, Special Financial Officer, recommended the raising of the age-limit to 60. This recommendation does not apply to holders of offices whose abolition or reduction in pay is proposed.

Resolution No. 11.—Local Fund Dispensaries.

40. The Committee is of opinion that the local bodies should be required to bear half the cost of salaries of Sub-Assistant Surgeons and of Europe medicines, instead of the Government wholly meeting such charges in all Local Fund Dispensaries. This proposal will reduce the State expenditure by about Rs. 90,000 per annum.

41. The dispensary in the Public Offices at Bangalore may be abolished.

Resolution No. 12.—Scientific and Miscellaneous Departments.

42. The pay of Meteorological Reporter may be fixed at Rs. 200 to 300

43. The Office of the Director of Archæology need not be filled up after the retirement of the present incumbent and the department may be placed under the University.

44. The Museum requires to be materially improved and brought up-to-date if it should serve any useful purpose. As no money can be provided for such improvement, the establishment may be disbanded and the exhibits otherwise disposed of to the best advantage. The Arts and Crafts Depot now located in a rented bungalow in the Civil and Military Station may be shifted to the Museum building and the rent of Rs. 150 per mensem saved.

45. These proposals will result in a total saving of Rs. 24,100 as detailed below :—

	Rs.
Meteorological Reporter 600 × 12	7,200
Director of Archæology 800 + 100 × 12	10,800
Museum	4,300
Rent charges saved 150 × 12	1,800
Total ..	24,100

Resolution No. 13.—Supervision of Mines.

46. The separate Explosives Branch may be abolished. It is understood that the magazines have all been designed and rebuilt and that the bulk of the routine work of the branch lies on the Gold Fields. The Mining Inspection Staff may attend to it in addition to the other work.

This proposal will reduce expenditure by Rs. 12,000 per annum as under :—

	Per annum Rs.
1. Inspector of Explosives (400—700)	7,800
2. Assistant Inspector (125—$\frac{5}{2}$—250)	2,400
3. Clerical and menial staff	828
	11,028
Travelling allowance, etc.	972
Total ..	12,000

Resolution No. 14.—Civil Works—Miscellaneous Establishments.

47. The travellers' bungalows at Bidadi, Yelahanka and such other places, which are not much frequented by the public may be abandoned and their establishments disbanded with a saving of about Rs. 1,000 per annum. The Revenue Commissioner is agreeable to this proposal. The buildings may be utilised for the Education Department or sold.

48. The grant for Hill Stations, Rs. 13,600, may be reduced by Rs. 5,000 by abolishing the Curator and Hill Assistant and appointing an Overseer on Rs. 50. Grants for improvements may be cut out and provision for contingencies reduced from Rs. 1,200 to Rs. 600. Clerk on Rs. 20 and 3 peons may also be abolished.

Resolution No. 15.—CIVIL SECRETARIAT, ETC.

49. The Committee recommends that the number of Secretaries in the General and Revenue Secretariat may be reduced by one and their work redistributed among the remaining three Secretaries. This arrangement will result in a saving of Rs.14,000 per annum.

50. The Reading Room Sections in the General and Revenue Secretariat and the Comptroller's Office Libraries may be abolished and the establishments reduced. The grants for newspapers and books may be limited to Rs. 2,500 in the General and Revenue Secretariat and to Rs. 1,000 in the Comptroller's Office.

Resolution No. 16.—LAND REVENUE DEPARTMENT.

51. *Revenue Commissioner's Office.*—(*a*) The salary of the Revenue Commissioner may be fixed at Rs. 1,400 without any duty allowance. (*Vide* Resolution No. 3.)

(*b*) Of the two Assistants to the Revenue Commissioner, one may be abolished.

(*c*) The Office Establishment is capable of considerable reduction not only in the Head Office, but also in the districts and taluks. As suggested by the Revenue Commissioner, a Special Officer may be placed under him to study the possibilities of reduction of work and establishments in all the offices of the Revenue Department and report within three months.

(*d*) Grants for travelling allowances and contingencies may be suitably reduced.

52. *District Establishment.*—(*a*) There has been some reduction recently in the number of Revenue Sub-Divisions. The sanctioned number at present is 17. According to existing orders, the Chintamani Sub-Division in the Kolar District is to be abolished after the Judicial Separation Scheme is introduced in that district. In view of the present financial stress, the Committee considers that this Sub-Division may also be brought under reduction immediately. The Revenue Commissioner thinks that though the work of this Sub-Division is light, the abolition of it will render the other two Sub-Divisions in the district heavy. The Committee does not consider that this is sufficient reason for the retention of the third Sub-Division. An Assistant Commissioner should be able to manage four or five taluks.

(*b*) The Committee considers that the Office of Personal Assistant to the Mysore Deputy Commissioner may also be abolished. The Deputy Commissioner who has no direct charge of any taluk can well do without a separate Assistant. The Assistant Commissioner in charge of the Treasury may assist the Deputy Commissioner in current work. Mr. Balasundaram Iyer thinks that the continuance of the Personal Assistant in the Mysore District is necessary as stated by the Revenue Commissioner.

(*c*) As regards the Subordinate Establishment in the districts, an appreciable reduction in cost is possible by devolution of powers and elimination of unnecessary work as already suggested above in respect of the Revenue Commissioner's Office.

53. In the matter of Taluk Establishments, the Committee concurring with the Revenue Commissioner recommends that the following four sub-taluks, *viz.*, French Rocks (Mysore District), Gudibanda (Kolar District), Kumsi (Shimoga District), and Harihar (Chitaldrug District) may be abolished. This measure will result in a saving of about ten thousand rupees.

Amildars and Deputy Amildars may be given a permanent monthly allowance of Rs. 40 per mensem instead of being allowed to draw travelling allowances at the usual rates. This proposal, it is believed, will result in an appreciable saving in cost under travelling allowances.

54. A large reduction in the menial staff of all offices in the Revenue Department is feasible. This question has been considered separately as part of the

general scheme of retrenchment in the menial staff in all departments of the State. *Vide* Resolution No. 38 *infra*.

55. The saving in the cost of the department, excluding that due to reduction of clerical and menial staff will be about Rs. 32,000 per annum.

56. The question of redistribution of districts and taluks has been examined by the Committee. Some witnesses have recommended this measure of retrenchment. They are of opinion that two districts, *viz.*, Kadur and Chitaldrug or Tumkur may be abolished by portions of them being added on to the remaining adjoining districts. It has been urged that the number of taluks is capable of reduction from 68 to 50, and that even after the proposed readjustment the district and taluk jurisdiction in Mysore would generally be much smaller than in British Provinces.

57. The Committee has had statements prepared showing the present and proposed jurisdiction, revenue, etc., of the several districts according as the State is divided into 8, 7 or 6 districts. In view of the disturbance to the established machinery that would be caused by the abolition of districts and the consequent territorial readjustment and of the comparatively small net savings that would accrue from the adoption of such a measure, the Committee does not propose to make any recommendation in the matter. The Committee is not in favour of increasing the area of taluks or sub-taluks except as proposed in para 53 *supra*.

Resolution No. 17.—FOREST DEPARTMENT.

58. The Committee recommends the following measures of retrenchment in the Forest Department resulting in a saving of about Rs. 90,000 per annum.

59. The pay of the Conservator of Forests may be fixed at 800—100—1,200 (*vide* Resolution No. 3.)

60. As recommended to Government by the Conservator of Forests in his memorandum submitted with his D. O. letter No. 86, dated 27th November 1921, the number of divisional charges may be reduced from 12 to 10 and the Forest School abolished. These proposals will result in a saving of Rs. 26,000 per annum.

61. In the revised scheme of Gazetted Staff proposed by the Conservator provision is made for three Working Plan Officers and for one Leave Reserve, who will be made use of for helping the Mysore District Forest Officer after the two Divisions in Mysore are combined. The Committee does not think that the third Working Plan Officer, who is now on a temporary basis, and whose period has expired, need be continued. A number of forest areas for which working plans have already been prepared are reported to be still unexploited and old working plans might require revision in the light of experience gained in working the forests. For some time to come two officers seem adequate to cope with this branch of the work. The Committee does not also support the Conservator's proposal for having a Leave Reserve, who should be cut out.

62. The revised cadre of the Forest Department controlling staff under the Conservator will according to the Committee's recommendations stand as under :—

Present strength	Proposed strength	Distribution
Permanent.	2 Deputy Conservators ..	10 For divisions, *i.e.*, (8 for dists.
4 Deputy Conservators ..	8 Assistant do ..	1 for Bhadravati and 1 for
8 Assistant do ..	9 Sub-Asst. do ..	Sagar).
6 Sub-Assistant do ..	—	2 Working Plan Officers.
3 Specialists	19	4 Range Officers for Bhadra-
—	—	vati.
21		2 Sandal Valuation Survey.
Temporary.		1 Forest Survey.
2 Assistant Conservators ..		—
5 Sub-Assistant do ..		19
—		
7		
Total 28 Officers of whom 2 Deputy Conservators are already abolished The posts of the 3 specialists have been kept vacant.		

63. The grants for travelling allowances, contingencies and other charges should be curtailed in view of the reductions in the number of Divisions and the Gazetted Staff. The savings on this item may be estimated at Rs. 2,600.

64. As regards 'Conservancy and works,' the Committee is of opinion that the annual grants therefor are susceptible of reduction. No new building should be allowed to be constructed for some time. The grant for communications and buildings may be fixed at Rs. 30,000 instead of Rs. 45,000. For demarcation, fire protection, etc., the budget provides for a grant of one lakh. The Committee considers that an allotment of Rs. 80,000 is sufficient and a saving of Rs. 20,000 can be effected under this head by careful supervision of expenditure. The provision of Rs. 2,000 allowed for Kumri cultivation may be deleted as being an unnecessary charge on general revenues.

65. The Conservator has suggested certain measures for immediately improving the revenue of his department, and the Committee's recommendations in this connection are detailed in Section III.

66. ABSTRACT OF SAVINGS.

		Rs.
1.	*Conservancy and Works*—	
	Present grant	7,16,000
	Proposed	6,79,000
	Savings	37,000
2.	*Establishment*—	
	Abolition of 2 Divisions	17,500
	Cutting out the provision for the 3rd Working Plan Officer (200) and the Leave Reserve (250).	5,400
	Peons	540
	Deletion of the provision for 3 Specialists	16,860
	Establishment of the Forest Economist	1,596
	..	41,896
3.	Abolition of Forest School	8,500
4.	Savings under Travelling Allowance and Contingencies	2,604
	Total ..	90,000

Resolution No. 18.—EXCISE DEPARTMENT.

67. The reductions in the Excise Department as shown in the appended list (*vide* page 19) are recommended with the concurrence of the Excise Commissioner. Mr. Chandy wanted that a sum of about Rs. 12,000 out of these savings be set apart for improving the pay and prospects of certain staff who were not benefited by the last reorganisation. The Committee cannot support this proposal. No special treatment can be shown in appropriating a portion of the amounts saved as a result of retrenchment measures for improving the pay of the establishment of any department.

68. The Committee is of opinion that the Excise Intelligence Bureau which is costing Rs. 3,168 per annum in pay (besides expenditure on travelling allowance, etc.) may also be abolished. Mr. Chandy is not agreeable to this proposal. He states that similar establishments are employed in British Provinces and recommends the retention of the staff in Mysore. This is a new establishment and the District Excise Staff should be able to do the work. Mr. Balasundaram Iyer dissents from this view.

69. The three Excise Probationary Inspectors should be abolished as already ordered by Government.

70. The Committee has considered the question of abolishing the posts of four District Excise Officers in the non-separation districts of Tumkur, Chitaldrug, Kolar and Hassan by entrusting Excise work to Revenue Sub-Division Officers or Police Superintendents. In view of the uncertain course of the Excise Revenue, the Committee does not deem it desirable to propose any changes in the existing arrangement.

ABSTRACT OF SAVINGS.

1. *Superintendents*—		Pay	
Excise Intelligence Bureau		3,168	
		T.A.	
		832	
2. *District Executive Staff*—			
Establishment		26,672	*Vide* details *infra*.
Travelling allowances		1,328	
	Total ..	28,000	
	Grand Total ..	32,000	

List of reduction in the District Executive Establishments appended to para 67	Annual savings	Remarks
Headquarter Inspectors of Excise attached to Deputy Commissioner's Office at Bangalore, Mysore, Shimoga and Kadur, taking average pay (80+20 horse allowance) Pay of 4 Inspectors, 4×100×12	4,800	
Reduction of Excise Ranges in the State.		
Two in Tumkur District and one Range in each of the districts of Bangalore, Kadur, Mysore, Kolar, Shimoga * and Hassan 8×100×12.	9,600	*Mr. Chandy was agreeable to the abolition of a range in the Shimoga District when he was examined by the Committee on 18th March 1922. Having consulted the Deputy Commissioner, Shimoga, he has expressed the view that the reduction of a Range in that district is not feasible. The original proposal may stand.
Abolition of the posts of 6 Assistant Inspectors.		
One in Government Central Distillary, 2 each in Bangalore and Kolar and 1 in Tumkur District. 6 (25×10) ×12.	2,520	
Reducing the number of Patrol Sub-Inspectors by 15.		
15 (20×12)	3,680	
Abolishing 7 Range Office Clerks.		
7 (20)×12	1,680	
Abolishing 3 Special Shroffs.		
(30), 2 (25) L. A. 2×12	984	
Abolishing 2 clerks in the Excise Commissioner's Office.		
2 (30)×12	720	
Abolishing 19 peons.		
19 (10)×12	2,280	
Savings under Range and Sub-Range.		
8 (3), 5 (2)×12	408	
Total ..	26,672 *	

Resolution No. 19.—STATIONERY AND PRINTING.

71. In consultation with the Superintendent, Government Stationery and Printing, the Committee recommends the adoption of the following measures of retrenchment and economy resulting in a saving of about Rs. 50,000.

72. *Stationery Depot.*—(1) The Superintendent may be permitted to inspect immediately the stock of paper, forms, registers and stationery in all Government Offices with a view to get an idea of the quantities of these articles now lying unused in the various offices. The Superintendent expects that they will enable him to effect a net saving of about half-a-lakh of rupees in the present level of cost of paper and stationery.

(2) The arrangements for supplying stationery articles to taluks from the Government Depot may be abolished, resulting in a reduction of the grant for the

department by about Rs. 15,000. The level of the contingent grants of taluks is high enough and it should be possible for them to purchase the necessary supplies of stationery articles out of their existing grants.

(3) Credit for the value of stationery supplied and printing work done for the Mysore University, the Railway Department and the Insurance Office in excess of the current year's budget of receipts should be given to the Stationery Department and the cost of supply incurred by the department set off against such credit.

(4) Taking the above proposals into consideration, the net grant for paper and stationery may be fixed at Rs. 1,75,000 against 2 lakhs in the budget of 1921-22. The actual expenditure of the year has exceeded 3 lakhs so that the saving will be really 1¼ lakhs.

73. *Printing Office.*—The Gazetted Staff consists of one Superintendent, two Assistant Superintendents, one Sub-Assistant Superintendent and one Probationer. The appointment of Sub-Assistant Superintendent is vacant. The Committee considers that the Probationer may go. But Mr. Ramachandra Mudaliar urged the retention of the Probationer.

74. The suggestions of the Superintendent for reducing printing work in the Government Press as in the list attached are suitable, and they are calculated to result in a saving of Rs. 25,000 in the first year and of additional Rs. 25,000 in the subsequent years. The Committee accordingly recommends their adoption.

List of Reductions in Printing Work.

1. Consequent on the issue of G. O. No. M. 522-87—P. & S. 6-20-72, dated the 2nd August 1921, prohibiting the execution of Government works at private presses, all the departmental publications of the Education Department are being done at the Government Press. They may hereafter be transferred to private presses on condition that such presses will execute the works at the scheduled rates of the Government Press, so as not to cause any loss to Government.

The work of printing question papers of the High Schools at Bangalore and Mysore which is reported to have recently been ordered to be done at the Government Press may be issued to private presses for execution as heretofore.

2. *Reduction of the matter in the Gazette.*—(i) Municipal Voters' lists need not be published in the Gazette. It would be sufficient if the required number of spare copies are printed and supplied to the Municipality. Work may preferably be got done in private presses.

(ii) Representative Assembly Voters' lists need not be published in the Gazette. They may be separately printed and supplied to the Secretariat and the Deputy Commissioners.

(iii) Food Grains Prices Statements—Weekly and Fortnightly—need not be published in the Gazette, only spare copies being printed and supplied to the Revenue Commissioner for distribution, if necessary.

(iv) Municipal Taluk Bye-laws, which are coming in large number, need not be published in the Gazette.

(v) Statistics of Rail-borne Trade may be omitted from the Gazette and spare copies printed and supplied to the Director of Commerce, if necessary.

(vi) Notices of forest boundaries may be omitted from the Gazette, but copies printed and supplied to the Forest Conservator.

(vii) The publication in the Gazette of statements of lands available for cultivation in various districts may be discontinued and spare copies of the statements supplied only to the Revenue Commissioner or Deputy Commissioners of Districts concerned.

3. (viii) *English Works—General.*—The Civil List may be issued half-yearly instead of quarterly and reduced to about half the size, *i.e.*, 100 pages.

(ix) The Blue Book Journal may be abolished. Important orders may go into the Gazette, for general information.

(x) The printing of Gradation Lists of all departments may be dispensed with, as at present they are never up-to-date and serve no useful purpose, being belated.

(xi) The printing of General and Revenue Secretariat standardised docket and letter forms which are now being printed in large numbers may be dispensed with.

(xii) The printing of the very large number (in lakhs) of covers of various kinds for the several branches of the Secretariat may be dispensed with.

(xiii) The printing of History of Services of Gazetted Officers may be abolished.

(xiv) The printing of History of Services of Amildars may be dispensed with.

NOTE.—The Superintendent further suggests that (*a*) Weekly Proceedings Volumes may be rebound to form the Monthly Proceedings Volumes and issued and the printing of the Monthly Proceedings separately, abolished altogether; (*b*) That the voluminous index to the Monthly Volumes may be dispensed with, as the contents will serve the purpose of reference and (*c*) that the printing of lists of File Headings, Index to the File Headings, "A" Collections and Consolidated Index to the General Records, of the various Sections and Branches of Secretariat may also be dispensed with. This question may be taken up by the Efficiency Audit Officer. One of the two publications may in the Committee's opinion be discontinued and all unnecessary matter eliminated.

4. *Kannada Works.*—(xv) The printing of Toddy Schedules may be reduced by supplying copies of such portions only as relate to the districts concerned.

NOTE :—The Suprintendent proposes the discontinuance of the printing of Kannada Budget; but this proposal does not commend itself to the Committee.

Resolution No. 20.—POLICE DEPARTMENT.

75. In concurrence with the Inspector-General of Police, the Committee recommends the following reductions in the Police Department:—

(1) *Superintendence.*—Saving of rent charges of Rs. 2,280 per annum by locating the office of the Inspector-General of Police in Government quarters set free by the abolition of the Police Training School and taking a few rooms in Tippu Sultan's Palace.

(2) Closing the Police Training School and disbanding the entire staff except shorthand instructor and an instructor in photography. Savings Rs. 24,000 per annum.

(3) Abolition of all the District Reserves retaining the Sub-Inspectors (3 in each district) for clerical work for the introduction of the Disposal Number System, and certain constables to serve as orderlies to Deputy Commissioners, Police Superintendents, etc. Savings Rs 59,000 per annum.

As regards the retention of the Sub-Inspectors, Mr. Subramanya Iyer stated in the course of his examination that the arrangement would be temporary and that he might be able to dispense with their services after a year. As it is proposed to adopt suitable measures for effecting changes in methods of work, so as to minimise correspondence in all offices, and thereby reduce clerical establishment, the Committee is not convinced that the Sub-Inspectors of the District Reserve should be kept on for office work as suggested by the Inspector-General of Police. These posts should also be abolished, resulting in a further saving of about Rs 12,000 per annum.

The grant under 'Travelling Allowance' of the Police Force may be reduced by about Rs. 5,000.

(4) Abolition of the two Assistant Superintendents of Police at Davangere and Sagar, with their establishments, etc. Saving Rs. 7,000 per annum.

There are 7 Assistant Superintendents at present, distributed as in the margin.

1 for Police Training School.
1 for Railway Police and C. I. D.
1 each at Bangalore, Mysore, Channapatna, Davangere and Sagar.

The Inspector-General of Police wants to retain four Assistants and abolish the rest. He admits that the Office Assistant to the Inspector-General of Police could well look after the Railway Police and Criminal Intelligence Department work, but the retention of an Assistant Superintendent of Police for the latter charge is urged with a view to afford an easy flow of promotion to the Inspectors and keep up departmental efficiency. This is not a sufficient reason for continuing the extra appointment, which may also be abolished. The saving will be Rs. 2,400 per annum in pay, besides travelling allowance.

(5) Under Malnad and Ghat Station batta, a sum of Rs. 5,000 may be withdrawn out of Rs. 22,641.

(6) In the Kolar Gold Field Police Force the number of Inspectors 9 is unduly large. Six Inspectors might be abolished as a first instalment of reduction. It should be possible to manage with Sub-Inspectors as Station House Officers and do away with Inspectors altogether. This proposal will result in a saving of Rs. 5,000.

(7) In the result, the total saving in the Police Department according to the above proposals will be about Rs. 1,22,000 per annum besides Rs. 21,653 the reduction of which has already been sanctioned, out of a total budget grant of 15¾ lakhs.

Resolution No. 21.—INDUSTRIES AND COMMERCE DEPARTMENT.

76. The Committee after inspecting the Central Industrial Workshop, the Art Workshop, the Soap Factory, the Weaving Factory and the Arts and Cratts Depot examined Mr. D'Souza and officers under him with reference to the proposals for reorganisation of the department submitted by the Director and the future of the abovenamed institutions.

77. The Committee attaches great importance to the value of industrial training as a factor in the development of the economical condition of the people and would wish to continue the institutions started by Government for this purpose if they are really needed and useful. After looking into the working of the factories and discussing details with the Director and his staff, the Committee has come to the following conclusions:—

78. *The Central Industrial Workshop*—

	Rs.
Fixed capital as on 30-6-1921	2,82,000
Working capital, goods and outstandings	3,27,000
Manufactured goods on hand	43,000
Work in process	1,17,000 *
Outstanding from Government Depts.	81,000
,, Private Parties	32,000
Total ..	1,13,000
Total loss up to date according to audited balance sheets	1,15,000
Anticipated loss in current year	30,000
Total ..	1,45,000

* A good portion of these is stated to be nonsaleable.

The workshop has been financed by Government on a lavish scale, but the above figures show that the working has been far from satisfactory. Several causes have contributed to this result. It is over-capitalised for an undertaking of this kind. The manufactures have been carried on without regard to the saleability or demand for goods produced. The business side of the factory discloses bad management. Outstandings are heavy. The workshop on the whole is run at a considerable loss to the State. The Committee would have recommended its abolition but for the fact that it is the only workshop of the kind in the State and useful to some extent to the public as well as to Government Departments. It should, however, be noted that as long as such a workshop with Government funds at its back exists, there will be no incentive to private enterprise to start a similar concern. If it is to be continued, it should be on the following conditions:—

(i) The capital cost should be revalued at the present market value by experts.

(ii) Goods on hand should be similarly valued, all useless goods being sold off to best advantage.

(iii) All outstandings should be immediately collected.

(iv) No new capital should be invested by Government: the proceeds of the sale of superfluous machinery or goods on hand may be utilised for this purpose.

(v) All Government Departments should be required to send their work to this shop. Orders from the public may be taken in such a way as not to compete with private enterprise and no orders received which could be attended to equally well in local shops.

(vi) The Director has undertaken to see that the workshop is worked on a self-supporting basis, paying interest on revised capital and meeting depreciation charges. If this result is not attained in the next two half-years, the workshop may be closed down.

The workshop may be handed over to private management as soon as reasonable offers are forthcoming.

79. *Soap Factory.*—According to the Director, this concern is expected to yield a profit of about Rs. 19,000. His proposals for transferring it to a private company are understood to be under the consideration of Government. The expansion of the Soap Factory will require a large additional capital of 4 to 5 lakhs. The Committee considers that this concern has proved a success, thanks to Mr. Sastry, and that it may be handed over to private management as soon as the transfer can be effected with advantage to Government.

80. *Art Workshop.*—Some really good art work is turned out in this shop and much has been done to improve the designs.

Capital cost is	Rs. 29,000
Working capital including stock from Central Industrial Stores	„ 77,000

A sum of Rs. 10,000 is outstanding for which there is no excuse. The concern is worked at a loss, the total loss to date being Rs. 28,000 and the loss for last half year Rs. 7,900. To run the shop successfully the Director wants additional machinery worth Rs. 20,000. The Committee sees no good grounds for continuing this shop under Government management at a great loss and accordingly recommends that it may be closed or made over to private enterprise.

81. *Weaving Factory.*—Weaving is a prime source of occupation to a large population in the State. The Committee would wish to encourage an institution that would foster this industry. In this view they would recommend that the Weaving Factory be continued but on a reduced scale. Its working must be considerably improved and all unnecessary work lopped off, if it is to serve a really useful purpose. At present it is run on an uneconomical basis without regard to cost and any hope of remunerative return. The cloths manufactured are not of the proper kind nor in popular demand. The fixed capital is Rs. 65,000 and working capital Rs. 18,000. The goods on hand (18th March 1922) are valued at the comparatively large figure of Rs. 80,000. A sum of Rs. 35,000 is said to be outstanding in Commercial Section, (Rs. 10,000 for more than a year and Rs. 25,000 for more than 6 months) and another sum of Rs. 3,095 in Demonstration Section. The total loss in working so far as per last audited balance sheet amounts to Rs. 8,769.

All this shows bad management. So much of the factory as serves purposes of demonstration and instruction should be kept up and the commercial side reduced to what is absolutely necessary and made self-supporting, paying interest on capital.

The transactions under capital and revenue should all be brought on the revenue budget. Every effort should be made to dispose of the existing large stock, some of which is on hand for a long time, and to reduce the outstandings which are heavy. The Commercial Section should not be expanded so as to compete with indigenous weaving.

The Committee understands that it is proposed to remove the Weaving Factory to a site adjoining the Industrial Workshop. It is desirable to locate the factory in a central place in the City so that the weaving population may take advantage of it. Particular attention should be paid for the development of the Demonstration and Training Sections.

82. *The Arts and Crafts Depot.*—This is a useful institution, mainly intended to encourage cottage industries in the State, by giving them improved designs and by finding a market for art goods produced in the State. Goods from Travancore, Vizagapatam and other parts of India are also exposed for sale here. The working capital is Rs. 50,000 and the Depot is run on a small loss of Rs. 1,000 a year. The

value of the goods on hand is reported to be Rs. 65,000; a sum of Rs. 2,400 is outsanding. The depot is located in a rented building in the Civil and Military Station. The rent of Rs. 150 may be saved if the Depot is removed to the Museum building.

Government incur a serious financial responsibility in the event of fire or burglary or theft of goods placed in this building, the value of which runs to Rs. 65,000, with a solitary watchman at night.

The Manager of the Depot should be a man conversant with art designs and drawings, and able to give useful advice and suggestions to those dealing in art work.

83. As regards private concerns such as Tirthahalli Tile Factory, the Aryan Hosiery, Art Litho Press, etc., to which large loans have been made by Government, the Committee is of opinion that every endeavour should be made to recover the amount advanced as early as possible and that Government should disengage themselves from such concerns.

84. The total amount of Hire-purchase and Taccavi Loans issued by the Department to end of February 1922 is about Rs. 7,74,000 of which Rs. 3,84,000 have been recovered so far and an amount of Rs. 3,90,000, is outstanding. The Committee considers that in future the annual grant for the Industrial and Taccavi Loans should be limited to amounts well within the actual recoveries made by the Department in the year. No new grants need be allowed in the budget.

85. Now coming to the departmental staff and the minimum grant required for the Department of Industries and Commerce, Mr. D'Souza's original proposals submitted to Government with his D. O. of 25th January 1922 involved an expenditure of Rs. 1,75,000 as against the budget grant of Rs. 1,87,500. As the result of further discussion and cutting down, Mr. D'Souza has agreed to the following modifications:—

(i) To reduce the Gazetted Staff from 12 to 10 and to have only two Superintendents of Industries in place of four originally proposed by him.

(ii) To have four Mechanics in lieu of eight men for peripatetic work.

(iii) To reduce by Rs. 200 per mensem the cost of clerical establishment.

(iv) To abolish the Commercial and Industrial Museum.

(v) To substantially reduce grants for contingencies and other fluctuating items and for experimental Industries.

As the result of these reductions, it is found that the grant of Rs. 1,75,000 asked for by Mr. D'Souza will stand reduced to Rs. 1,13,000.

86. The Committee is of opinion that the above revised proposals are suitable on the whole and may be approved with the following further modifications.

(i) In view of the restricted grant that can be placed at the disposal of the department, the Director of Industries and Commerce will not have sufficient work and he should be given the work of some other department in addition, to keep him fully engaged. (*Vide* Resolution No. 36.)

(ii) For the same reason the post of Personal Assistant to the Director is not necessary and may be abolished.

(iii) No increase of pay over the existing rate need be given to any member of the Gazetted staff.

(iv) The *new* Superintendent, Industrial and Commercial Intelligence, may be given the fixed pay of Rs. 250 in lieu of the progressive rate of pay proposed by Mr. D'Souza.

(v) A grant not exceeding Rs. 10,000 may be given for experimental industries out of the profits earned by concerns under the management of the Director.

87. The above retrenchment and economies will bring down the total cost of reorganisation to Rupees One Lakh as against the budget grant of Rs. 1,87,500.

Resolution No. 22.—PUBLIC WORKS DEPARTMENT BUDGET.

88. The Chief Engineer was examined on the 4th April and what he considered his minimum requirements having been intimated to the Committee on the 14th idem,

the budget of the Public Works Department was considered in detail and the following resolution was passed :—

89. The grant originally asked by the Chief Engineer for the year 1922-23 was Rs. 30 lakhs besides an amount of 1 lakh for the Bhadra Anicut and Channels. This demand has since been reduced by him to 24·98 lakhs as the result of discussion with the Committee on the 4th April.

90. After a full consideration of the revised demand of the Chief Engineer, the Committee has come to the conclusion that it is not possible to allot a larger amount than 17 lakhs from the State Funds.

91. The Committee has given its anxious attention to this important matter. It has considered the relative importance of the several classes of public works in relation to the straitened resources and which of the works could or should wait until better times. It may be taken for granted that in times of exceeding financial stringency like the present, all expenditure of an optional and avoidable kind should be brought under retrenchment and in this view the outlay on public works should be strictly limited to the barest minimum. Works of " public improvement " however desirable in themselves should be treated as luxuries and wait for times of financial affluence. The items of work having a direct bearing on the immediate welfare of the people and which could not be postponed without detriment to public interests deserve the first attention. Irrigation works and repairs and maintenance of roads and buildings have been given the bulk of the allotment that can be made available. The Committee is aware that the allotments proposed now are inadequate in the case of many incomplete works entailing inconvenience in their execution. But after careful consideration it regrets that it does not see its way to suggest larger grants.

92. The requirements of the Department and the grants recommended by the Committee under the several heads are shown in the subjoined statement.

Items	Proposed by the Department			Recommended by the Committee
	Irrigation Works	Civil Works	Total	
	Rs.	Rs.	Rs.	Rs.
1. Outlay on Original Works	2,18,500	5,11,500	7,30,000	3,52,000
2. Repairs and Maintenance	1,35,000	8,75,000	10,10,000	8,77,000
3. Tools and Plant and Suspense	6,000	30,000	36,000	21,000
4. Establishment including T. A. and Contingencies.	1,12,000	6,10,000	7,22,000	4,50,000
Total ..	4,71,500	20,26,500	24,98,000	17,00,000

93. *Original Works.*—The grants proposed by the Chief Engineer for Irrigation Works are necessary and may be allowed. As regards Civil Works, the Committee considers that the provision wanted by the Chief Engineer, *viz.*, Rs. 5,11,500 is capable of considerable reduction. It is feared that it would not be possible to allot more than Rs. 1,33,500 under this head, *viz.*, 1 lakh for Civil buildings, 3,500 for communications, 10,000 for Miscellaneous Public Improvements and 20,000 for Minor Works, (*vide* list attached.)

LIST OF ORIGINAL WORKS FOR WHICH ALLOTMENTS ARE PROPOSED BY THE COMMITTEE FOR THE YEAR 1922-23—(*vide* para 93).

I. *Civil Buildings*—

ADMINISTRATION.

		Rs.
1	Additional block adjoining the District Office Building at Bangalore ..	5,000
2	Improving Taluk Cutcherry, Goribidnur (Kolar)	2,000
3	Bonded Warehouse and Sub-Registrars' Office (Hassan)	2,000

		Rs.
	EDUCATIONAL.	
4	Anglo-Vernacular School at Turuvekere (Tumkur)	3,000
5	Do Pavagada do	1,500
6	Do Hole-Narsipur (Hassan)	1,500
7	Do Arkalgud do	3,500
	POLICE.	
8	Police Lines, Sivaganga (Bangalore)	500
9	Out Patients' Dispensary, Victoria Hospital, Bangalore	3,000
10	Out Patients' Dispensary, Minto Ophthalmic Hospital, Bangalore ..	3,000
11	Operation Theatre, Maternity Hospital, Bangalore	1,000
12	Dispensary at Pathapalya (Kolar)	1,500
13	Local Fund Dispensary with In-patients Ward, Challakere (Chitaldrug)	500
	MYSORE SPECIAL	
14	New Guests' Mansion at Mysore	50,000
15	Office Block to the New Palace, Mysore	4,000
16	Constructing South Gate of Fort, Mysore	5,000
17	Other urgent works	13,000
	TOTAL ..	1,00,000

II. *Communications—*

		Rs.
1	Deviating Madras-Cannanore Road (Bangalore)	500
2	Reconstructing washed-out culvert in 3—162 of Salem-Bellary Road (Chitaldrug)	1,000
3	Improving Bagavalli Bridge in miles 3 & 4—23 of Shimoga-Bellary Road (Shimoga)	500
4	Chikmagalur-Tarikere Road (Kadur)	500
5	Other urgent works	1,000
	Total Communications ..	3,500

III. *Miscellaneous Public Improvements :—*

		Rs.
	SANITARY.	
1	Drainage Improvement to Old Town of Shimoga	2,000
	WATER-SUPPLY.	
2	Cost of Cast Iron Pipes to be kept in reserve for temporary bursts in the existing main, Soldevanhalli Pumping Station	7,000
3	Other items	1,000
	Total Miscellaneous Public Improvements ..	10,000

ABSTRACT.

		Rs.
1	Civil Buildings	1,00,000
2	Communications	3,500
3	Miscellaneous Public Improvements	10,000
4	Minor works	20,000
	Total ..	1,33,500

94. *Repairs and Maintenance.*—The following reductions may be made in the demands under this head.

Civil Buildings.—Rupees 1¼ lakhs may be allowed against 1½ lakhs asked for. The grant for 1921-22 was only 1 lakh.

Communications.—The budget for the year 1921-22 provided for Rs. 5,22,000 and this may be repeated. The increase of Rs. 18,000 proposed by the Chief Engineer may be disallowed.

Miscellaneous Public Improvements.—The Chief Engineer wants Rs. 1,60,000. This represents the extra charge to be borne by State Funds on account of the Chamarajendra and Vani Vilas Water Works over and above the contributions received from the City Municipalities of Bangalore and Mysore. Mr. Cadambi is of opinion that if this expenditure be met out of the funds of the said two Municipalities, the State Budget will be relieved to this extent. The Committee considers that as a first instalment the two Municipalities may be required to bear one-half of the additional charges, *viz.*, Rs. 1,60,000/2 or Rs. 80,000 only and provision of an equal amount will have to be made in the State Budget under this head.

For repairs of Civil buildings and travellers' bungalows in charge of Civil Officers, the grant asked for is Rs. 25,000. This may be reduced to Rs. 15,000.

According to the above alterations, the total grant for repairs and maintenance would stand reduced from Rs. 10,10,000 to 8,77,000.

95. Turning to establishment, the grant for which should mainly depend on the works outlay, it will be seen that the total grant for works and repairs from the Revenue Budget for the year 1922-23 will be about 12½ lakhs. Adding another sum of 12½ lakhs, which roughly represents the aggregate expenditure on the State's Capital Works and on works financed from District and other Local Funds, for spending which the Public Works Department staff is responsible, the total works grant with reference to which the establishment has to be fixed may be taken at 25 lakhs. This will be the level of expenditure for some years to come. Allowing 25 per cent which is a liberal provision, Rs. 6¼ lakhs may be allotted for establishment (including travelling allowance and contingencies). On the basis of the budget of 1921-22 about 2 lakhs will represent the share chargeable to other heads than the Public Works Department proper, which latter will have to bear the balance of 4¼ lakhs. With a margin of ¼ lakh, the net grant for establishment of the Public Works Department including travelling allowance and contingencies may be taken at 4½ lakhs. The provision for this purpose in 1921-22 was 6¼ lakhs, *i.e.*, Rs. 2,08,000 under 23. Irrigation Works plus 4,17,000 under 24. Civil Works. If account be taken of the proposed abolition of the Circles of Superintendence, the absorption of the Maramat establishment in the regular Public Works Department, and of other measures of economy recommended by the Committee in the next paragraph, it will be seen that the grant of 4½ lakhs proposed for establishment charges is reasonable and sufficient. The Committee has already suggested the abolition of the establishment of and abandonment of travellers' bungalows at certain places not much frequented by the public, such as Yelahanka, Bidadi, etc., and the reduction of the grants for Hill Stations by Rs. 5,000. These savings will accrue to the credit of the Public Works Department.

96. *Reorganisation of the Public Works Department.*—The Secretariat file regarding the revision of the Public Works Department, which had been specifically referred to the Committee, was considered and the two sets of schemes regarding the

higher appointments in the department, discussed. The views and recommendations of the Committee on this subject are as follows :—

A. Direction.—Chief Engineer's Office.—There may be 1 Chief Engineer as at present in charge of both roads and buildings and irrigation works. He should also be the *ex-officio* Secretary to Government in the Public Works Department. His pay may be fixed at Rs. 1,400 per mensem. For assisting him in the office and inspection duties, there may be a Deputy Chief Engineer and *Ex-officio* Under Secretary to Government on pay of Rs. 1,000 per mensem with no allowance. An Office Assistant of the grade of Assistant Engineer may be given with a duty allowance of Rs. 50 as both the Chief and his Deputy are touring officers.

B. Superintending Engineers.—The Committee is of opinion that all the Circles of superintendence may be abolished. By effecting decentralisation and devolution of powers to the Executive Engineers, the Chief Engineer will be relieved of much of the routine work and be able to devote adequate attention to inspection and other work with the assistance of the Senior Officer at Headquarters. This measure of economy will result in a considerable saving of expenditure, *viz.*, about Rs. 49,000 per annum.

C. Construction.—The Committee considers that ten Executive Engineers are sufficient for the whole State in the present condition of things, one for each of the districts, one for the combined Water-supply and Sanitary Divisions and one for Krishnarajasagara Water Works. The Water-supply and Sanitary Divisions may well be combined and placed under one officer, as the grants that can be allotted for either of them singly will not justify their continuance as two separate divisional charges. The separate Channel Divisions temporarily created in the Krishnarajasagara Circle may be abolished. Though some of the District Executive Engineers, *e.g.*, those at Kolar and Chitaldrug, have not got sufficient work to keep them fully engaged, any reduction in their number is not proposed as it would involve a change in the established machinery of district administration.

The pay of the officers of the Executive Engineer's grade may remain as at present, *viz.*, 500—25—850. The proposal to raise the annual increment from Rs. 25 to Rs. 35 cannot be supported. The Committee wishes to emphasise the view that it is undesirable to contemplate improvement in the scale of salaries of the officers of any department in this time of financial stress, and that therefore no increase over the present rates of pay can be given to the Engineers on this occasion.

The maximum pay of the Assistant Engineers may remain at Rs. 400 as heretofore and the grade of Sub-Assistants need not be abolished, with a view to increase the number of Assistant Engineers. It is the opinion of the Committee that all possible reductions in the number of officers in both these grades as well as in the Upper and Lower Subordinate Service should be effected, so as to keep the total annual cost on salaries, travelling allowances and contingencies within the limit of $6\frac{1}{4}$ lakhs as recommended in para 95 *supra*.

Considerable economies in the clerical and menial staffs of the Public Works Department are also possible, as part of the general scheme of retrenchment affecting all offices in the State, firstly by reducing correspondence and simplifying clerical work and secondly by revising the system of giving home orderlies to officers.

The Committee agrees to the proposals to absorb the entire Maramat establishment in the regular Public Works Department and of transferring the minor tank restoration work from the Revenue Commissioner to the Chief Engineer. This measure of reform is expected to result in an appreciable saving to Government.

———

Resolution No. 23.—MEDICAL DEPARTMENT.

97. The Senior Surgeon is in favour of amalgamation of the Sanitary Department with the Medical and the abolition of the post of the whole time Sanitary Commissioner and the District Health Officers as already recommended by the Committee. No allowances need in future be given to District Medical Officers for doing Sanitary Work.

98. The Committee has already recommended that in regard to the maintenance of Local Fund Dispensaries, the local bodies concerned should be required to pay a moiety of the charges incurred by Government towards salaries of Sub-Assistant Surgeons and supply of Europe medicines.

99. The Committee has discussed details with the Senior Surgeon and recommends the following retrenchments:—

(i) *Palace Medical Staff.*—There are two Surgeons in the Palace Dispensary. The Committee agreeing with the Senior Surgeon considers that one of the officers may be withdrawn. These Officers are given several kinds of allowances, Local, Duty and Conveyance allowances. Only the Conveyance allowance may be retained and the rest cut out. The establishment contains two Sub-Assistant Surgeons of whom one seems superfluous and may be reduced.

(ii) The post of the Medical Officer on the Headquarter establishment may be abolished as, in the opinion of the Committee, a permanent medical man to look after that establishment is not necessary. Whenever the Dewan goes on tour, the Senior Surgeon may depute an officer for the time being. Dr. Mylvaganam is agreeable to this proposal.

(iii) The Senior Surgeon's proposal to place the District Medical Officers at Bangalore and Mysore in charge of the respective Epidemic Diseases Hospitals and to abolish the separate Assistant Surgeon may be approved.

(iv) According to the sanctioned cadre, the posts of 8 District Medical Officers and of Specialist in the Victoria Hospital are counted as Surgeons' charges. The Senior Surgeon does not consider that an officer of the Surgeon's grade besides the Medical Officer is necessary for the Victoria Hospital.

Five Assistant Surgeons are doing duty as District Medical Officers and a number of Surgeons are holding the charges allotted for officers of the lower grade. The Committee recommends that as a measure of economy the number of Surgeons may be reduced from 16 to 14 as against the two posts proposed to be abolished in paras (i) and (ii) *supra*. The Senior Surgeon wishes to retain the strength of Surgeons intact with a view to afford easy flow of promotion to the officers of the lower grade. The Committee does not concur in this view.

(v) Dr. Mylvaganam is of opinion that, in view of a separate cadre with scales of pay having been sanctioned for Lady Medical Officers, the sex allowance granted to the highly paid among them is unnecessary and may be cut out. The Committee agrees in this view. The sex allowance need not be given to any class of women doctors, whether of the superior or subordinate grades.

(vi) The Senior Surgeon proposes that the system of giving scholarships in the Medical School may be gradually done away with, as private students are freely seeking admission into the school. The Committee accepts the suggestion and recommends that no new scholarships need be given in future. The present rates of allowances for the Lecturers (Rs. 75) and Demonstrators (Rs. 50) are considered high and may be reduced as before to Rs. 50 and 30 per mensem respectively.

(vii) The Committee suggests that the X-ray allowance of Rs. 50 now given to two Surgeons, one at the Victoria Hospital and the other at the Krishnarajendra Hospital, may be cut out.

(viii) The Senior Surgeon states that no grants are given to the marginally noted institutions and that the provision made therefor in the budget of 1921-22 may be deleted. The Committee also understands from him that the Lady in charge of the private Settihalli Dispensary (Hassan District) is not a properly qualified Medical Practitioner. But the grant of Rs. 600 per annum is being continued, on the ground that the Dispensary is

Kalasa Medical Fund	..	960
Mission Hospital, Channapatna	..	180
Mrs. Slater's Hospital	..	360

serving a fairly large number of people and would have to be closed if the Government help were withdrawn. This is not sufficient justification for the continuance of the grant. The Committee is of opinion that it should cease.

Sanction for the grant of Rs. 2,400 per annum to the Koppa Medical Fund is due to expire on 1st August 1922. This grant is reported to have been originally sanctioned in 1899 on the ground that the Indian Medical Subordinates stationed at Koppa and Sollebile were not competent to cope with the medical needs of the Planters and their families and that the North Mysore Planters' Association was in need of aid to maintain a European Doctor. Conditions have now changed. The Senior Surgeon considers that the grant should be withdrawn, as the Planters' Association have had the Government help for a long time and should be asked to make their own arrangements in future. The Committee strongly supports the Senior Surgeon's proposal.

(ix) Dr. Mylvaganam suggests that as the Ayurvedic College at Mysore is not doing any useful work, it may be closed. This proposal does not, however, commend itself to the Committee. The Institution may be developed when sufficient funds can be spared for the purpose.

(x) The Committee recommends that no Duty Allowance should be given to any Medical Officer who is permitted to take up private practice.

(xi) The financial effect of the foregoing recommendations is a saving of about Rs. 36,000 per annum as per particulars furnished below:—

	Rs.
(*i*) Abolition of two Medical Officers, one in the Palace Medical Staff and one in the Headquarter establishment and reduction of the cadre of Surgeons by two—	
(550+40) × 12	7,080
(450+40) × 12	5,880
(*ii*) Cutting out the Local and Duty Allowance of the 2nd Medical Officer in the Palace	1,200
(*iii*) Abolition of one Sub-Assistant Surgeon in the Palace Rs. 97 × 12.	1,114
(*iv*) Withdrawal of Assistant Surgeon in charge of the Epidemic Diseases Hospital, Bangalore	2,880
(*v*) Abolition of Duty Allowance for Sanitary work to D. M. Os. of Mysore and Bangalore..	1,200
(*vi*) Abolition of Sex Allowance to Lady Medical Officers— (2 × 50, 15 × 30, 5 × 10) × 12	7,200
(*vii*) Reduction in the grant of scholarships and scale of allowance of lecturers in the Medical School	4,400
(*viii*) Withdrawal of X-ray Allowance to two Surgeons (50 × 2 × 12) ..	1,200
(*ix*) Withdrawal of grants-in-aid	3,900
TOTAL ..	36,054

Resolution No. 24.—JAILS DEPARTMENT.

100. Regarding economies in the Prisons Department, Dr. Mylvaganam's proposals are as follows:—

(*i*) Abolition of extra-mural labour resulting in a saving of about Rs. 5,000 per annum.

(*ii*) Cutting out meat-diet to prisoners; saving Rs. 3,300.

(*iii*) Diminishing certain ingredients of the condiments in the prisoners' diet; savings Rs. 1,400.

(*iv*) Improving Jail industries with equipped factories, modern appliances and appointing an expert to supervise the work.

(*v*) Early construction of a large Central Jail at Basavangudi in Bangalore and recouping its cost from the sale of the old Jail buildings and sites at Bangalore and Mysore.

101. The first three suggestions of the Inspector-General of Prisons may be approved. The income derived from the extra-mural labour is stated to be Rs. 600 per annum, while the cost of the establishment necessary for the guarding of the prisoners doing extra-mural labour comes to Rs. 5,760. The arrangement does not even pay its way. Suggestions (ii) and (iii) are based on the practice prevailing in the Madras Presidency and the same may be adopted here.

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102. The Committee offers no opinion regarding the other proposals of the Inspector-General, *viz.*, Nos. (iv) and (v) which do not lead to any immediate economies

Abstract of Savings:—

	Rs.
(*i*) Abolition of extra-mural labour (5760—600)	5,100
(*ii*) Cutting out meat-diet and diminishing ingredients in condiments, etc.	4,700
TOTAL	9,800

Resolution No. 25.—THE RAILWAY BUDGET.

103. The Committee has examined the Authorisation Rolls for the year 1922-23 and discussed them with Messrs. Dove Wilson, Dani, and Lakshminarasimha Rao at some length.

104. The Committee has recommended the limiting of capital expenditure on Mysore Railways to Rs. 15 lakhs by taking the renewal and replacement works in easier instalments. The Department wanted 17½ lakhs of rupees. On a similar basis the revenue expenditure on Mysore Railways will also be susceptible of reduction of about Rs. 1,50,000.

105. *Earnings.*—The goods traffic of the Railway is not adequately served, the receipts from this source being about 50 per cent of the coaching traffic. The proportion ought to be greater. The producers, merchants, banks and the Railway have all been prejudicially affected by the inadequate arrangements for carrying goods. The loss from this source to the country in general must be very heavy.

106. The total earnings are estimated by the Agent at Rs. 37½ lakhs against the revised estimate of Rs. 30 lakhs for the year 1921-22. The large increase of revenue anticipated in 1922-23 is due to the enhancement of the passenger rates by 25 per cent as in other railways in India. The Railway Auditor thinks that the Agent's estimate is too sanguine and he would put it at 34 lakhs. Taking all circumstances into consideration, the Committee is of opinion that it would not be safe to assume the earnings at a higher figure than 35 lakhs of rupees.

107. *Expenditure.*—The Committee is of opinion that the working expenses of the Railway are pitched on a high scale amounting to 31¾ lakhs of which 1½ lakhs are however proposed to be reduced in the expenditure on renewal of permanent way and that they call for a rigid exercise of economy in the several departments. The establishments are on a very liberal scale.

108. Taking the earnings at Rs. 35 lakhs and the revenue expenditure at Rs. 30¼ lakhs which is the reduced demand, the percentage of working expenses to gross earnings will be about 86.

109. It would entail a large demand on the time and labour of the Committee to make definite proposals for reduction based on a close examination of the work in each department, but the Committee has come to the conclusion that in comparison with other Railways our establishments and working expenses should be cut down so as to bear a reasonable proportion to the earnings and it would strongly recommend that the Railway management should be required to cut down establishments and effect other economies to the extent of Rs. 2¾ lakhs which in the opinion of the Committee could be done without affecting the efficient working of the Railway. The total working expenses of the Railway will then stand reduced to Rs. 27½ lakhs and show a percentage of 78 to the estimated earnings of 35 lakhs :—

		Rs.
Total Savings	Capital ..	2½ lakhs.
Total Savings	Revenue ..	4¼ „
	Total ..	6¾

Resolution No. 26.—EDUCATION DEPARTMENT.

110. In concurrence with the Inspector-General of Education, the Committee recommends the reductions in the budget of the Education Department as indicated in

the statement attached to the Inspector-General's letter No. 4031, dated 24th April 1922, resulting in a saving of 5¼ lakhs of rupees, in the present level of expenditure.

111. The main items of retrenchments in the department about which the opinion of the Committee is unanimous are the following :—.

	Rs.
(1) Direction—Salaries	10,000
Savings due to absorption of Probationers and certain adjustments in the Library, Publication and Visual Instruction Sections.	
(2) Secondary Education—	
English High School Staff and Establishment..	13,000
Savings due to the abolition of Relieving Teachers, Commercial Instruction and of Morning Entrance Classes.	
(3) Science Hall, Bangalore	59,000
Reduction out of the special provision of Rs. 85,000 made this year.	
(4) Vernacular School Buildings grant to be cut out	20,000
(5) Practical and Manual Instruction Classes to be abolished.. ..	25,000
(6) Grant-in-aid of Primary Schools including building grants to be reduced	77,000
(7) Village School Fund Savings on account of abolition of Practical Instruction Classes and reduction of building grants	42,000
(8) Mechanical Engineering School, Power House Equipment Reduction in grant, special for this year	46,000
(9) Technical Education— Scholarships: anticipated savings	10,000
(10) Panchama Education	50,000
It is a non-recurring grant for this year and hence cut out.	
(11) Publication of Books	15,000
Provision to be reduced.	
(12) Scholarships	30,000
General reduction on account of systematisation of scholarships as per Government Order of 3rd December 1921.	
(13) Savings in scholarships on account of reduction proposed by the Committee by making all local scholarships tenable for only 9 months in the year.	50,000
(14) Other minor itmes	78,000
Total ..	5,25,000

112. The Inspector-General of Education has proposed to utilise about 1,66,000 rupees out of the savings of 5¼ lakhs above referred to for certain developments and new activities, the chief of which are the following :—

(*i*) Rs. 25,000 for improvement of Science Classes in Tumkur and other Collegiate High Schools to admit of more students.

(*ii*) Rs. 10,000 as grants for loss of income from scholarship-holders and free students in aided schools.

(*iii*) Rs. 30,000 building grants to hostels under the new rules.

(*iv*) Rs. 13,000 towards increase of fees to examiners.

(*v*) Rs. 25,000 for Polytechnic scheme in some A.-V. Schools.

(*vi*) Rs. 10,000 for scholarships to private candidates in Lower Secondary Training Classes.

(*vii*) Rs. 18,000 for extra boarding and clothing charges of Panchama schools.

(*viii*) Rs. 35,000 for other minor items.

In respect of these proposals, the Committee observes that the saving resulting from retrenchment measures should first be utilized towards wiping out the budget deficit before any developments of schemes in progress or starting of new activities involving additional expenditure can be thought of.

NOTE—By Mr. Balasundaram Iyer.—None of these except No. (*v*) can be described as new activities. Educational work must provide for some expansion as an inevitable condition of its life and if the items referred to in this paragraph are cut out there will be a most disastrous set-back even in the existing facilities.

113. Besides the proposals suggested in para 111, the Committee (by a majority of 6 to 1) recommends the following economies, Mr. Balasundaram Iyer recording his separate views about them :—(*Vide* copy of letter, dated 30th April 1922 attached, page 33).

(*a*) *Direction.*—The Committee is of opinion that the Inspector-General of Education with one Deputy should be able to cope with the entire work of the department including inspection of schools.

The posts of two Circle Inspectors and of the Inspectress may be abolished. Mr. Balasundaram Iyer while agreeing to the abolition of the offices of the Inspectress and one of the Circle Inspectors proposes to retain the other Circle Inspector as the Second Deputy Inspector-General in the central office. The Committee does not agree to this.

The Committee is in favour of abolishing all the Industrial Schools which are not working satisfactorily. Those at Channapatna, Doddballapur and Sagar may be retained. And as under the proposed arrangement there will not be sufficient work for the Technical Assistant to the Inspector-General of Education that appointment is unnecessary. The control of the Industrial Education may remain with the Inspector-General and the contemplated transfer of it to the Director of Industries and Commerce may be given up. Mr. Balasundaram Iyer is agreeable to the abolition of the Industrial Schools not working efficiently at present, but wishes to retain the Technical Assistant in view of his proposal for introducing Polytechnic Scheme in some of the A.-V. Schools.

(*b*) *Inspection.*—There are 3 District Inspectors and 6 Assistant Inspectors and Inspectresses for Urdu Schools and the Committee considers that one of the District Inspectors is too many and may be reduced. Mr. Balasundaram Iyer considers that if one Inspectorship is abolished at least an Assistant Inspector will be necessary in his place. The Committee concurs with him.

There are 8 officers of the Assistant Inspectors' grade doing duty as Office Assistants to the Circle Inspectors and 6 District Inspectors. With the abolition of the Circle Inspectors the two office Assistants should also go. Personal Assistants to District Inspectors are unnecessary. Mr. Balasundaram Iyer states that the present staff of the Assistant Inspectors is inadequate to cope with the work and proposes that the eight men doing duty as Office Assistants may be drafted as Inspecting Officers for the ranges. This is unnecessary.

(*c*) *Chamarajendra Technical Institute.*—The Committee considers that the establishment of the Arts and Industrial and Crafts Sections of this Institution is kept on too liberal a scale and the higher superintendence is unnecessarily expensive and may be cut down.

(*d*) The Educational Library and Museum with its separate establishment in the Sheshadri Memorial Hall may be abolished.

Mr. Balasundaram Iyer agrees that the Educational Museum may be abolished but wishes to maintain the Educational Library which is a Central Professional Library for the Department.

114. These additional proposals if accepted will result in a saving of about Rs. 60,000 per annum as indicated in the subjoined statement. The total retrenchments including the proposals contained in paras 110—111 *supra*, amount to Rs. 5,85,000.

		Savings Rs.
1	Abolition of two Circle Inspectors and one Inspectress	15,000
2	Abolition of one Urdu District Inspector on Rs. 175. giving one Assistant Inspector on Rs. 75—10—125 in his place	1,200
3	Eight Office Assistants to Circle Inspectors and District Inspectors 2 (75—10—125) or $216\frac{2}{3} \times 12$	2,600
	6 (57—4—77) or $70 \times \frac{1}{3} \times 6 \times 12$	5,064
4	Savings under Industrial Schools including staff, contingencies, travelling allowances, etc	30,000
5	Educational Library and Museum	2,700
6	Reduction in clerical staff of Circle Inspectors, contingencies, etc. ..	2,700
	Total ..	59,264

Copy of letter No. C. 4031 *of* 21-22, *dated the* 30*th April* 1922, *from the Inspector-General of Education to the Secretary, Special Committee.* Vide *para* 113 supra.

With reference to your letter No. Spl. 223 of 28th April 1922, I have the honour to state that I approve of the proposals mentioned therein except the following :—

Direction.—It will be very difficult to cope with the entire work of the Department, including inspection of schools with only one Deputy Inspector-General, and that another Deputy Inspector-General is absolutely necessary, if the Circle Inspectors are to be abolished.

Industrial Schools.—I am in favour of the proposal for the abolition of the Industrial Schools not working satisfactorily. But the Technical Assistant will be necessary in view of the proposed introduction of the Polytechnic scheme in some of the Anglo-Vernacular Schools.

Urdu District Inspectors.—As already explained in my letter No. C. 4031 of the 24th instant, an additional Urdu Assistant Inspector will be absolutely necessary, if one Urdu District Inspector were to be abolished.

Office Assistants to Circle Inspectors and District Inspectors.—As already explained, these office Assistants will be necessary for the ranges for inspection work. The Assistant Inspectors have very large jurisdiction at present, and inspection work cannot be, and is not, done with efficiency. I wish to say with all the emphasis at my command, that an addition to their number to this extent is very necessary.

Educational Library and Museum.—The Educational Museum is not of any use at present and may be done away with. Steps are being taken to dispose of the articles and the establishment will be disbanded as soon as possible. But the Library is very necessary as it is essential to maintain a good and up-to-date professional library for the use of the department.

The proposal to utilise savings resulting from retrenchments towards the wiping out of the budget deficit before any developments of schemes in progress or starting of new activities involving additional expenditure could be thought of, though quite unexceptionable ordinarily, cannot be wholly applied to educational work, where a certain amount of expansion is inevitable unless future generations of citizens of the State are to be seriously handicapped as a consequence of our shortcomings.

Resolution No. 27—THE CO-OPERATIVE DEPARTMENT.

115. The Committee discussed with Mr. R. Ranga Rao, Registrar of Co-operative Societies, the feasibility of retrenchments and economies in his department. Mr. Ranga Rao stated that compared with the strength of the Co-operative Department in Madras, the staff here was undermanned and that in his opinion it required considerable increase both in the gazetted and non-gazetted ranks. The number of societies in Mysore was about 1,550 and on the basis of 40 societies to an Inspector, the number of Inspectors which was 42 at present could not be reduced without sacrificing efficiency. He, however, explained that about 300 societies were not working satisfactorily and that they had to be wound up sooner or later. When that is done about 7 Inspectors may be abolished. There is a Weaving Inspector on Rs. 100 provided for 6 months in the budget who is also not required from 1922-23. In view, however, of the present financial condition he was agreeable to surrender 7 Inspectors immediately as a temporary measure. This proposal would result in a saving of about 8,400 rupees per annum.

116. The Committee considers that including audit and inspection work, one Inspector should suffice for 50 societies. Thirty Inspectors would be required for 1,500 societies which are to be reduced by 300 as above stated. Twelve Inspectors may be brought under reduction immediately. In the opinion of the Committee it would be more convenient and distinctly economical if the audit and inspection is done by one and the same Inspector. This will result in considerable saving of time and travelling allowance. Mr. Balasundaram Iyer would rather accept the Registrar's opinion on this point.

117. Mr. Ranga Rao also suggested that the exemption from payment of court fees on suits before the Registrar may perhaps be withdrawn on the ground that the concession benefits only the defaulters against whom the suits are filed and who in

most cases have ceased to be members of the societies. In order to obviate the hardship in asking the plaintiff-society to pre-pay the court fees as in civil courts, the amount due to Government may be included in the decree and recovered along with the amount due to the decree-holder. He estimated the revenue from this source at about Rs. 12,000 per annum. The Committee agrees to this proposal. In British India no such concession is stated to be in force, as suits must go before the civil courts.

118. Mr. Ranga Rao was not in favour of withdrawing any of the other concessions now granted to Co-operative Societies, *viz.*, exemption from payment of stamp duty, registration fee, search fee, or income-tax.

119. Against the resulting improvement of about Rs. 20,000, Mr. Ranga Rao stated that he wanted an additional provision of an equal amount as the existing grant for travelling allowance was totally inadequate. Mr. Balasundaram Iyer is inclined to support the Registrar's proposal and considers that in this department where the bulk of the useful work consists of inspection of societies by Inspectors and other Officers, adequate grants should be provided for travelling allowances. Every care should be taken that the travelling is not done aimlessly, but this is different from cutting down the grants to a point which compels the men to sit quiet at their headquarters. The Committee does not recommend the additional provision asked for.

120. The Gazetted Staff of the Department consists of a Registrar and a Personal Assistant with two Assistant Registrars located at Shimoga and Mysore. A Probationer on Rs. 150 has also been recently added. The Committee considers that, as a temporary measure of economy, the Registrar with a Personal Assistant only should be able to run the department. The Probationer may also be withdrawn along with the two Assistant Registrars. Mr. Ranga Rao stated that the appointment of the two Assistant Registrars had not afforded him any considerable relief and that, if forced to effect further economies in his department, he had no objection to do without them for about a year. He added that if the Assistants were taken away the supervision work would fall more heavily on him.

121. Non-official public opinion is decidedly in favour of reducing the Inspectorate and Superior establishment.

122. The financial effect of the foregoing economies will be an improvement of Rs. 34,000 per annum as per details given below :—

	Rs.
(*i*) Abolition of two Assistant Registrars and one Probationer. $2 \times 250 + 150 \times 12$	7,800
(*ii*) Abolition of 12 Inspectors with menials $12 \times 100 \times 12$ ..	14,400
(*iii*) Levy of Court-fees on suits filed in the Co-operative Department	12,000
Total ..	34,200

Resolution No. 28.—Geological Department.

123. The Committee examined both Dr. Smeeth and Mr. Jayaram in *re* the feasibility of retrenchments in the Geological Department. Mr. Sampathiengar, Professor of Geology, who was long connected with the Department gave evidence before the Committee. None of them has any faith in the utility of prospecting by the department for commercial purposes. Such work has produced no results. On the other hand the scientific work of the department has been hampered on that account. In the opinion of the Committee it would be desirable to leave commercial prospecting work to the enterprising public and to suitably revise the departmental rules in the matter.

124. A geological map of the State was published in the year 1915. The writing up of a correlated geological history on the basis of the preliminary survey and mapping already done is long overdue and this work should be undertaken and completed without loss of time. A revision survey in detail is unnecessary. The department should confine its attention to purely scientific mineral survey and prospecting work, analysis of rocks and minerals and administration.

125. The Committee has considered whether, with the reduced operations of the department, it is necessary to have a whole-time officer to run the department or whether the charge may be combined with any other office. Some of the non-official

witnesses have suggested that the Professor of Geology in the Mysore University may be appointed *Ex-officio* Director of Geology. Mr. Sampathiengar, who was consulted in the matter, has presented a scheme for the future working of the department, which will result in a saving of Rs. 25,000 per annum (*vide* enclosure pages 36 and 37).

126. According to Mr. Jayaram's proposals, the following will be the Gazetted staff required for the department, with its reduced operations:—

1 Director on Rs. 1,000—100—1,200. Pay as at present.
1 Office Assistant on Rs. 150—200.
1 Assistant Geologist on Rs. 300—25—450.
1 Sub-Assistant Geologist who should be a trained Chemist also Rs. 125—$\frac{2.5}{2}$—250.

The posts of 1 Senior Geologist, 1 Assistant Geologist, 4 Sub-Assistant Geologists and 4 Probationers may be abolished. Mr. Jayaram agrees also to the abolition of the Assistant Chemists on 70—150 and 4 clerks in his office. These proposals are expected to result in a saving of Rs. 32,000 net.

127. Judging both the schemes, the Committee considers that the one outlined by Mr. Sampathiengar is likely to meet the immediate needs of the State by continuing the useful activities of the department and providing a training to the subordinate staff and deserving Geology Graduates of the University. A highly paid Director of Geology would be unnecessary. The Committee is of opinion that the Professor of Geology can conveniently attend to this work in addition to his College duties and accordingly recommends Mr. Sampathiengar's proposals for the acceptance of Government. The association of the University Professor with scientific Geological work as above proposed commends itself to the Vice-Chancellor of the University. Mr. Balasundaram Iyer, however, prefers the scheme proposed by the Director of Geology.

Proposition Statement of the Geological Department referred to in Para 125.

Present scale	Pay per month	Proposed scale	Pay per month	Savings
A. Officers—	Rs.	*A. Officers*—	Rs.	Rs.
1. Director	1,200	1. *Ex-officio* Director ..	200	1,000
2. Office Assistant	170	2. May be dispensed with ..	..	170
3. Senior Geologist	575	3. To be transferred to the Iron Scheme *vice* Mr. Morris whose services are temporary	..	575
4. Assistant Geologists (2) ..	700	4. Assistant Geologist for Survey	700	..
5. Do (S. P. T.) (1) ..	325	5. Do (S. P. T.) 1 ..	325	..
		NOTE.—One Assistant Geologist for Survey. Two Assistant Geologists for prospecting.		
6. Sub-Assistant Geologist (1) Probationers (4) 82 ..	175 328	6. Sub-Assistant Geologist (1) for inspecting of prospecting blocks in grade Rs. 200—20—300	200	Rs. —25
		Surveyors 3 in grade 100—10—150	300	28
		NOTE.—The fourth Probationer qobe transferred to College. Each Surveyor to be tacked on to an Assistant Geologist.		
7. Assistant Chemists (2) 130	260	7. Assistant Chemist (1) in grade Rs. 150—10—200 ..	150	110
		NOTE.—Most of the analytical work now done by the Assistant Chemist is in connection with the Iron Scheme : for purely Geological Dept work one Chemist will do.		

Proposition statement of the Geological Department.—contd.

Present scale	Pay per month	Proposed scale	Pay per month	Savings
	Rs.		Rs.	
B. Establishment—		*B. Establishment*—		
(Excluding Assistant Chemists which see above).		Head Clerk (1) 100—10—150 ..	100	
Clerks (77—6—100), (57—4—70) (40—4—60), 3 (30—4—50), (30—2—40) Draughtsmen (55—5—80), 35), (30), Laboratory Assistant (20—2—30), Librarian (30) Shorthand Allowance 7	864	Clerks (2) 70—6—100 ..	140	
		Do (3) 40—4—60 .. (includes a typist)	120	
		Draughtsmen (1) 100—10—1 150	100	84
		Do (1) 40—4—60 ..	100	
			60	
Servants—				
Jamadar (15), Mutchi (12), Daffadar (12), Sub-Daffadar (10), Peons (3) 9, 3 (8), 13 (7) Head Laskar (10) Laskars 2 (9), 6 (8) Sweeper (7) Section Cutters 4 (8) ..	300	Jamadar (15), Mutchi (12), Daffadar (12) Peons (12), (10), Laskars 6 (10), Section Cutters 2 (10), Sweeper (7) ..	..	60
Temporary Establishment, Fieldsmen, Special Officers' Establishment—				
Section Cutters 2 (7), Gardener (8) for three months. Fieldsmen 4 (30) for four months. One-third of the cost of Special Officer's Establishment. Stenographer (70), Clerks (30), Jamadar (16), Daffadar (12), Peons 3 (8), Laskars (12), (10) Draftsman (80—D. A. 16) Shorthand Allowance 7) ..	158	All these may be dropped except a gardener on Rs. 8.	8	150
C. Travelling Allowance—		*C. Travelling Allowance*—		
Officers	5,000	Officers	4,000	83
Establishment	3,000	Establishment	2,000	83
D. Special Charges—		*D. Special Charges*—		
Library and Laboratory ..	1,000	Library and Laboratory ..	1,000	
General Prospecting	1,000	General Prospecting and other investigation work ..	3,000	—166
Geological Maps	500	Maps	500	..
Contingencies	2,018	Contingencies	1,500	35
		Total Savings effected per month .. That is, Rs. 26,244 per annum.	2,187	..

It is suggested that a sum of Rs. 1,200 per annum may be set apart to encourage and to associate the best B.Sc. students of the Mysore University in practical post-graduate work. The students can accompany Field parties and thereby get to know surveying and prospecting methods. If found competent they may be taken into the department or sent abroad for Foreign Training. If this suggestion be adopted it will result in a budget saving Rs. 25,000 per annum in the Mysore Geological Department.

Resolution No. 29.—AMRITMAHAL DEPARTMENT.

128. The Committee has discussed the financial aspect of the Amritmahal Department with Mr. K. R. Krishnaswami Iyengar, Account Assistant to the Chief Commandant and has examined the Amritmahal Superintendent, Mr. Venkata Rao, and the Chief Commandant, Lt.-Col. Sardar Bahadur B. Chamaraj Urs.

129. The obligation to supply draught bullocks to the British Military Department ceased long ago and the annual requirements of the Mysore Imperial Transport Corps are stated to be about 50 four-year old bullocks as the Corps has been reduced to half its strength, *i.e.*, 140 carts. The question of reducing the number still further is understood to be under the consideration of Government.

130. The Amritmahal Department is maintaining at present 18 herds consisting of 9,228 head of cattle. For the purpose of the Mysore Military Department, it is considered sufficient according to the Chief Commandant if three herds only, *i.e.*, 1,500 head of cattle are kept up. And the Committee understands that it is under contemplation to hand over about 500 cows with a certain number of bulls, etc., to the Live Stock Expert for undertaking an experiment for supplying good breeding bulls to the raiyats and thereby improving the stock of cattle in the State.

131. The Committee has seriously considered the need for the continuance of the department at its present strength which is entailing an average annual loss of about half a lakh of rupees taking both direct and indirect charges.

132. There is a consensus of opinion among the non-official witnesses examined by the Committee that the Amritmahal bullocks are not easily amenable to control under the plough and that for use by raiyats as draught bullocks, over a year's previous training is necessary. The bullocks are sold by the department in their wild state and do not therefore fetch their proper price. There is no training depot established by Government. A large extent of fertile lands, some of which are fit for bagayat cultivation, is included in the Amritmahal Kavals and appears to be in great demand by the raiyat population. The lands would yield a large amount of money to Government if sold to the raiyats. Mr. Venkata Rao's evidence bears out these points.

133. Having considered all the aspects of the case, the necessity of maintaining the strain of the Amritmahal breed, the agricultural needs of the country, and the present condition of our finances, the Committee recommends for the consideration of Government, the following scheme submitted by Mr. Venkata Rao for making the department a self-supporting one. The proposal promises to yield at the same time a large amount of non-recurring revenue and an annual income of about half a lakh of rupees.

134. The main features of the scheme are as follows :—

(*i*) Of the 18 herds maintained at present, about 9 herds only containing about 4,000 head, the pick of cattle may be retained and the rest sold off. This will immediately yield about 2½ lakhs of rupees according to Mr. Venkata Rao.

(*ii*) The 9 herds may be located in two districts, about 5 in the Chitaldrug District and 4 in the Kadur District.

(*iii*) About 1 lakh of acres of land out of 268,000 acres now comprised in the kaval area may be released. Of these, about 40,000 acres of good land will be available for immediate sale to the raiyats which will fetch a very large amount, estimated by Mr. Venkata Rao at about Rs. 28,00,000 to 30,00,000 at an average rate of 70 rupees an acre and also a sum of Rs. 50,000 per annum as annual assessment. These estimates are not extravagant.

(*iv*) For realising this revenue, without loss of time, a Special Officer may be appointed with a suitable set of mojinidars for phoding, etc., for a period of about one year.

(*v*) With a reduction by one half in the strength of the cattle, a separate Amritmahal Department becomes unnecessary. The cattle establishment may be reduced, and the Deputy Commissioners of the Chitaldrug and Kadur Districts may have the control of the herds in their respective districts, assisted by a daroga each with the necessary subordinate staff of servegars and moondals, etc., on the present scale.

(*vi*) A part of the saving thus realised may be utilised for establishing a small training depot at Ajjampur with paddocks, etc., suitable for about 100 cattle. This will popularise the use of Amritmahal cattle by raiyats and others.

(*vii*) The Live Stock Expert may be the Technical Adviser to the Deputy Commissioners who will be able to consult the agricultural needs of the people of these districts in maintaining the cattle establishment in their charge.

(*viii*) The 500 cows and bullocks required by Mr. Davison may come out of the 4,000 head, proposed to be retained. The Committee, however, is not in favour of this experiment as it would cost a large sum of money and is not likely to prove a success.

135. The Chief Commandant does not agree to the proposed reduction of the Amritmahal cattle and staff. He considers that the prospect of realising a large amount

of revenue, Rs. 28 to 30 lakhs, by the sale of Amritmahal kaval lands, though alluring is of remote contingency and that the sale of about half the stock will not yield Rs. 2½ lakhs as estimated by Mr. Venkata Rao. When about 500 cows with the necessary bulls are handed over to the Live Stock Expert and about 700 to 800 old cows and non-breeders, etc., are sold out, the operations of the department will be reduced and the Chief Commandant thinks that a Superintendent on a high salary of Rs. 600 will not be required. Only an officer on Rs. 300 or 400 will do to run the department. Some reduction in the cattle establishment will also be possible and the Chief Commandant states that he will examine the question.

136. The Committee, however, thinks that Mr. Venkata Rao's proposals deserve favourable consideration, even if his estimates are considered too sanguine. The arguments advanced by the Chief Commandant for the retention of the department under a separate whole-time officer are not convincing to the Committee. If prompt measures are adopted for phoding the lands thrown open for cultivation and making them available to the raiyats, there will be a considerable amount of non-recurring revenue accruing to the State and a substantial increase of land revenue to the tune of about half a lakh annually.

137. This scheme has the special advantage of the department being kept up on lines on which the agricultural population may derive the fullest use from it, at a minimum cost to the State. The Committee therefore strongly recommends its acceptance by Government.

138. The net result will be a saving of about Rs. 22,000 in establishment, an addition to land revenue of about Rs. 50,000 a year, and proceeds from sale of Kaval lands and cattle about Rs. 25,00,000.

Resolution No. 30.—Civil Secretariat.

139. The following are the Committee's recommendations for retrenchment and economy in the General and Revenue Secretariat :—

(1) As already recommended, the number of Secretaries may be reduced by one by suitable delegation of powers to Heads of Departments, changes in methods of work and redistribution of work among the other Secretariat Officers.

The Under and Assistant Secretaries may be empowered to submit ordinary cases direct to the members of Government concerned instead of through the Secretaries.

(2) The post of one Assistant Commissioner each on His Highness the Yuvaraja's Personal Staff and in the Dewan's Office has already been abolished. The number of subordinate Secretariat Officers at present is 9 including the Registrar. The Committee considers that this may be reduced to 7 by suitable readjustment of work. The Registrar should be given the charge of case work of certain sections in addition to office branch as there is a Deputy Registrar to assist him in the office work and to do duty as Special Officer at Mysore during the Birthday and Dasara functions.

(3) The Committee is not convinced that the retention of the class of Superintendents, who do no case work themselves, is necessary. The general sense of the non-official witnesses examined by the Committee is that the Secretariat like other offices in the State is overmanned and that there are too many supervising officers.

There are 11 Branches in the Secretariat each in charge of a Superintendent and 15 Superintendents, 4 in the first grade and 11 in the second grade distributed as in the margin. The number of Branches may be reduced by 3 by suitable re-grouping. The Efficiency Audit Staff may be abolished. The Committee is of opinion that the number of first grade Superintendent may be reduced by 2 and that of the second grade by 3. The temporary Auditor, Efficiency Audit, on pay of Rs. 100 is also not necessary. The remaining 8 Superintendents in charge of Branches should also be entrusted with case work. An equal number of First Division Clerks may be brought under reduction. Mr. M. C. Rangaiengar would abolish the grade of Superintendents altogether and keep the First Division Clerks.

1	Deputy Registrar.
1	Superintendent, Dewan's Office.
2	Efficiency Audit Staff.
11	In charge of Branches.
15	Total

No Reserve Staff need be maintained in the First Division for privilege leave vacancies.

With the reduction in the number of Branches as above proposed and simplification of work, the strength of the Second Division Clerks may be reduced by about 12.

As regards the Stenographers and Typists, such of those as are attached to officers whose appointments are brought under reduction will also go. Three additional hands may perhaps be abolished when the number of branches is reduced.

There is a temporary staff of 2 hands entertained in connection with the revision of the Mysore Gazetteer. A lumpsum grant of Rs. 3,000 is allowed to the Secretariat for casual establishments and the Committee thinks that the cost of all such temporary establishments should be met out of this lumpsum grant.

(4) As regards Menial Staff, the Committee is of opinion that the system of giving Home Orderlies to officers should be done away with and the Central Office should set an example in this matter to the other Offices in the State.

(5) Recommendation has already been made for closing the Dispensary and for limiting the charges of the General and Revenue Secretariat Library to Rs. 2,500 and for abolishing the Reading Room Section of it.

140. If the foregoing proposals are accepted, there will be a reduction of about Rs. 63,000 per annum in the cost of the Civil Secretariat. This does not include reduction in the Menial Staff;—

Abstract of Savings:—

	Pay per mensem.	
One Secretary Rs. 1,000+150 D. A.	1,150	
Two Assistant Secretaries, Rs. (350+50 D. A.)×(2)	800	
Five Superintendents, two 1st Grade, three 2nd Grade, Rs. 240×2+160×3 One temporary Auditor Rs. 100	1,060	
Sixteen First Division Clerks at Rs. 80	1,280	
Twelve Second Division Clerks at Rs. 50	600	
Six Steno Typist and Typists at Rs. 50	300	
Temporary hands for the Gazetteer Section	90	
Total ..	5,280	per mensem
	or 63,360	per annum.

Resolution No. 31.—MUZRAI DEPARTMENT.

141. The non-official witnesses who were examined by the Committee have unanimously stated that the post of the Muzrai Superintendent and *Ex-officio* Secretary is quite unnecessary and should be abolished. The responsibilities of the Muzrai Superintendent in connection with the Muzrai Institutions within the State are nominal, as they are really under the control of the Deputy Commissioners who are directly under the orders of Government. But there is reason to think that the Deputy Commissioners are not adequately discharging their duties apparently because the Muzrai Superintendent is an intermediary between them and the Government. All the work now done by the Muzrai Superintendent can be done equally well if not better by the District Officers. Local sentiment will also be conciliated.

As regards the administration of institutions outside the State which are about half a dozen in number, this work can be entrusted to the Muzrai Assistant who, the Committee recommends, should be appointed in the Secretariat for doing Muzrai work. This officer should be of the rank of an Assistant Commissioner and be attached to one of the Secretaries and work directly under the orders of the Member in charge of the Muzrai portfolio. This will involve the abolition of one post of Deputy Commissioner's grade and an addition of one to the Assistant Commissioners' cadre. The cost of the office staff can also be reduced from Rs. 1,250 to Rs. 800 per month.

142. The Committee examined Mr. Aravamudu Iyengar who was for a long time in charge of the Muzrai Department. This Officer is not in favour of the abolition of the post of the Muzrai Superintendent for the reasons stated by him.

But the Committee observes that the accounts of the Muzrai Institutions are not properly maintained in spite of the existence of a Muzrai Superintendent for so long a time.

143. The Committee has also examined Mr. Mrityunjaya Iyer who was for a long time in the Muzrai Department and was recently engaged in overhauling the Muzrai accounts. He thought that the appointment of a highly paid Officer at Headquarters was not necessary, that more than three-fourths of the work of that officer may be entrusted to Deputy Commissioners and that the Office Establishment may be considerably reduced. He also thought that the cost of the reduced headquarters establishment alone should be borne by Government, that of the districts and taluks being met from the Muzrai Establishment Fund and suggested that grants required for construction and repairs of buildings should be provided out of the funds of the institutions concerned and not by Government.

144. There appears to be a strong public opinion that the Muzrai Institutions in the State are not properly attended to, as under the existing arrangement the local officers feel that they have not got full authority over them. The suggestions made by the Committee will have the effect of improving the working of these institutions besides securing a saving in cost of about Rs. 10,000 per annum as detailed below :—

Abstract of Savings:—	Rs.
Pay of Muzrai Superintendent	800
Deduct pay of Assistant Commissioner Rs. 350+50 ..	400
Net Savings ..	400
Reduction in establishment Rs. 1,250—800	450
Total ..	850 per mensem
	or 10,200 per annum.

Resolution No. 32.—Kunigal Stud Farm.

145. The non-official witnesses have with one voice voted for the abolition of this Farm. The annual loss in working it is about Rs. 74,000. It does not furnish remounts to our Cavalry Regiments. The Stud Farm has the credit of producing a few race horses. But this is not a purpose for which such costly establishment should be kept up by Government. The birth-rate is also low, being ·26, showing that the conditions are uncongenial. The required fodder and gram is bought by the department at a great cost. About 1,300 acres of good arable land in the vicinity of Kunigal is appropriated by this Farm, which the raiyats would eagerly take up for purposes of cultivation.

146. The Chief Commandant had no good word for the Farm and he did not think it would do even for pony-breeding purposes.

147. The Committee considers this a costly luxury and would strongly recommend that the Kunigal Stud Farm be abolished and the lands set free for agricultural purposes.

Abstract of Savings:—	Rs.
Reduction in cost	74,000 per annum.
Proceeds of the lands about 1,300 acres at Rs. 100 an acre, *viz.* ..	1,30,000
Annual assessment	2,500 per annum
Stock (177 mares, stallions, etc.)	50,000 approx.
Total improvement Rs. 76,500 per annum recurring, and Rs. 1,80,000 non-recurring.	

Resolution No. 33.—Military Department.

148. The Committee has perused the Secretariat file regarding the reorganisation of the Military Establishment and has noted the proposals of Government.

149. The non-official witnesses who have appeared before the Committee have all submitted that in view of our obligations to the British Government for payment of the Subsidy and the liability of the people of the State to contribute their quota towards the Imperial Customs and Salt Revenues, the Military expenditure of the State should be considerably reduced.

150. In the stage at which the question of the reorganisation of the State's combatant forces now stands, the Committee has refrained from offering any opinion in the matter of reducing their strength, much as it would wish that the Military expenditure should be kept as low as possible. It is respectfully suggested that the personnel of the Transport Corps in excess of the one troop proposed to be kept up may be disbanded. In the opinion of the Committee it would not be difficult to enlist the men whenever required.

151. As regards the other items of expenditure in the Military Budget the Committee submits the following recommendations :—

(*i*) The proposals in the file under reference provide for the grant for the Palace Military Establishment being raised from Rs. 1,14,000 to Rs. 1,50,000. It is respectfully submitted by the Committee that the present grant of Rs. 1,14,000 from General Revenues may continue till the State's finances improve.

(*ii*) The grant for Military Works may be reduced by one-half and limited to Rs. 60,000.

(*iii*) The Kunigal Stud Farm which entails an annual expenditure of Rs. 74,000 may be abolished. A separate Resolution has been submitted on this subject.

(*iv*) The expenditure on headquarters may be limited to 50,000 rupees.

(*v*) The Grass Farms under the control of the Military Department should be made self-supporting.

152. The Committee has considered the feasibility of reducing the expenditure on the Infantry Regiments and this forms the subject of a separate Resolution. (*Vide* No. 37.)

153. According to the foregoing suggestions the Military expenditure of the State (18¼ lakhs) will stand reduced by about two and one-third lakhs as indicated below :—

	Rs.
(*a*) Disbanding the extra personnel in the Transport Corps ..	46,000
(*b*) Enhancement of the grant for Palace Military to be deferred ..	36,000
(*c*) Reduction of the grant for Military Works from Rs. 1,20,000 to Rs. 60,000	60,000
(*d*) Abolition of Kunigal Stud Farm	74,000
(*e*) Limiting the expenditure on headquarters to Rs. 50,000 as against Rs. 70,000 proposed	20,000
Total ..	2,36,000

Resolution No. 34.—TRAVELLING ALLOWANCE.

154. The Committee has reason to believe that the expenditure under travelling allowances is very much higher than what is necessary in the public interests. It was Rs.6½ lakhs in 1909-10, rose to Rs. 8 lakhs in 1915-16 and further to Rs. 11½ lakhs in 1920-21.

155. The Committee has noticed that there has been some reduction in the grants allotted for travelling allowances since 1920-21. But it has not gone far. A number of non-official witnesses have stated that in several instances travelling allowance is made a source of profit and that rapid journeys are undertaken with this object in view, more than for public benefit. The days of slow marches through the districts, coming into daily contact with the people and learning their wants and grievances are gone and rapid and hurried travelling in vehicles of high speed is the order of the day. As a remedy for this state of things, the witnesses have made several suggestions, chief of which are the following :—

I. The system of granting double railway fare to officers in superior service may be abolished and passes entitling them to travel by railway with necessary servants and luggage may be issued instead.

II. Suitable fixed allowances may be granted to touring officers and the rule requiring them to camp out the minimum number of days strictly enforced.

III. The system of granting advances for purchase of motor cars may be abolished and rapid journeys by motor vehicles which serve no useful purpose to the public and entail unnecessary cost to Government, may be put a stop to.

IV. The rule regarding the grant of road mileage to officers may be entirely done away with. They should be permitted to draw only daily allowance while on tour.

V. Wherever a public conveyance such as a motor bus is available for performing a journey by road, that means of locomotion should be availed of and double the fare actually paid by the officers should be charged to Government.

VI. The number of clerks and menials accompanying officers on tour is needlessly large and should be reduced.

VII. The minimum touring fixed in the case of several officers is too high and should be reduced by 50 per cent.

156. The Committee recognises that there is considerable force in the above representations and suggestions.

The recent enhancement of the railway fares will considerably add to the expenditure on travelling allowances.

Recommendation has already been made for giving the Amildars a fixed allowance of Rs. 40 per mensem instead of permitting them to draw travelling allowance under the usual rules for journeys within their jurisdiction.

In the matter of rates of travelling allowance admissible for journeys on tour, the Committee has referred to the scale of allowances recently sanctioned in Bombay.

157. Considering all the aspects of the case and the present conditions, the Committee is of opinion that the present rates of daily allowance and mileage in the Mysore Service Regulations are susceptible of reduction and the following suggestions are offered for effecting economy in this direction :—

I. *Daily Allowance*—

The allowance of Rs. 7½ per day to officers whose salaries exceed Rs. 1,200 seems high and may be reduced to Rs. 6.

II. *Railway Fare*—

The rule regarding accommodation by railway may be revised as under :—

First Class to officers whose salary is Rs. 500 and upwards.

Second Class to officers whose salary is less than Rs. 500, but not less than 100.

Third Class to other officers in superior service, and menials.

Officers entitled to travel in the First Class may be granted *single* first class fare plus one second class fare in lieu of *double* 1st class fare as at present. Mr. Balasundram Iyer, however, suggests that the usual daily allowance may be given in addition to *single* railway fare. In the case of officers on pay of Rs. 40 and upwards, but less than Rs. 100 one intermediate class fare wherever communication in that class is available plus a third class fare may be allowed.

III. *Road Mileage*—

The Committee is strongly of opinion that rapid journeys by motor cars should be discouraged and in the case of journeys exceeding 30 miles one-half the usual mileage otherwise admissible should be allowed for the excess distance.

The system of granting advances to officers for purchase of motor vehicles should be stopped. Only officers of and above the grade of Deputy Commissioners will be expected to travel by such conveyances and the grant of motor advances for highly paid officers is not necessary.

158. The following table will show in juxta-position the rates of allowances admissible to the officers at present and those proposed by the Committee.

Class of Officers	Daily allowance		Railway fare		Mileage		Remarks
	Present	Proposed	Present	Proposed	Present	Proposed	
1	2	3	4	5	6	7	8
	Rs. a. p.	Rs. a. p.	Double Ist. class	One first class plus 1 second class	Rs. a. p.		
1. Officers whose salary exceeds Rs. 1,200.	7 8 0	6 0 0			0 8 0	No change	
2. Officers whose salary is Rs. 800 or more, but does not exceed Rs 1,200.	5 0 0	5 0 0	Do	Do	0 8 0	Do	
3. Officers whose salary is Rs. 500 or more but less than Rs. 800.	4 0 0	4 0 0	Do	Do	0 6 0	Do	For Journeys exceeding 30 miles, half the rates admissible for the excess over 30 miles.
4. Officers whose salary is Rs. 250 or more, but less than Rs. 500.	4 0 0	4 0 0	Do	Double 2nd class	0 6 0	Do	
5. Officers whose salary is Rs. 100 or more, but less than Rs. 250.	As. 2 for every Rs. 10 of actual salary or fraction thereof in excess.	No change.	Double second class	Double second class.	0 4 0	Do	
6. Officers whose salary is Rs. 40 or more but less than Rs. 100.	Do	No change	Do	One Inter. plus one 3rd When no inter double third.	0 4 0	Do	
7. Other Officers in superior service.	do subject to a minimum of 4 annas.	No change	Double third class	Double third class	0 2 0	Do	
8. All Officers in Inferior Service.	Do	No change	Single 3rd Class	Single 3rd class.	0 0 6	0 0 6 *	* Whenever carts are engaged at Government expense to carry Government records and furniture, menials should be provided with seats in such carts and mileage should not be separately charged in their behalf.

159. If the above proposals are accepted by Government consequential changes will have to be made in the travelling allowance rules applicable to Government officers as well as to non-official gentlemen travelling in public interest.

160. The Committee considers that the rules contained in Appendix Q, Mysore Service Regulations, regulating the travelling allowance of the Dewan, Chief Judge and Members of Council and of other officers classed with them for purposes of travelling allowance may also be revised as indicated below:—

I. Dewan—

	Present.	*Proposed by the Committee.*
(i) Daily Allowance	Rs. 30 in Malnad and Ootacamund. Rs. 20 in Maidan places.	Rs. 20 in all places.

(ii) The rule permitting the grant of Daily Allowance in addition to Railway fare and road mileage may be abrogated.

II. Chief Judge and Members of Council and Officers classed with them for purposes of Travelling Allowance will get the following rates:—

	Present.	*Proposed by the Committee.*
(*a*) Daily Allowance	Rs. 10	No change
(*b*) Mileage	As. 8	
(*c*) Railway Fare.—		
(i) A Compartment of I class for himself		(i) A compartment of I class for himself.
(ii) Single III class fare for 4 servants		(ii) Single III class fare for 2 servants.
(iii) Charges for luggage not exceeding 10 maunds ..		(iii) Nil.

(*d*) The rule permitting Chief Judge and Members of Council, etc., to take their wife and other members of family in the reserved compartment without the payment of any extra fares may be cut out.

(*e*) Also the provision permitting Chief Judge and Members of Council to draw daily batta in addition to Railway fare on the days of journeys by railway or in addition to railway fare and road mileage drawn for the continued journey may be abrogated.

161. The financial effect of the foregoing recommendations will be a saving of about a lakh of rupees per annum, taking into account the consequential reduction in the number and extent of journeys also.

Resolution No. 35.—Duty, Local and Other Allowances.

162. The non-official witnesses who appeared before the Committee have unanimously criticised the system of giving salaried officers various kinds of allowances such as personal, duty, local, house rent and carriage allowances and they have with one voice suggested that these several allowances should immediately cease, an exception being permitted only in the case of low paid officials stationed in the Malnad and other specially unhealthy tracts.

Some of the witnesses have also pressed for a percentage reduction in the salaries of officers drawing Rs. 500 and upwards, as a measure of economy in the present financial stress.

The Committee has already recommended a revision in the scale of salaries of certain officers of and above the grades of Deputy Commissioners.

163. The Committee has perused the standing orders regulating the grant of the allowances and closely scrutinised the lists of offices to which allowances are attached, as given in the Government Orders including Fl. No. 6723-72—S. &. A. 160-19-1 dated 24th March 1920, and in the latest Civil List. Having examined the question in all its bearings and the requirements of each case, the Committee submits the following remarks and recommendations for the consideration and acceptance of Government.

(i) The pay or salary of an officer should be held to have been fixed on a consideration of the nature of his duties and of the expensiveness of duty or of the locality in which he is to reside or work. And as a rule no claim for separate duty or local allowances should be admitted either for the arduousness of such work or expensiveness of locality. The cases in which such allowances in addition to pay are necessary should be very few. The Committee is strongly opposed to the grant of several duty and local allowances to the same officer.

(ii) The local allowances now granted to officers stationed in the Malnad and other unhealthy tracts may be continued, and except in a few cases indicated below, (*vide* Tables I to IV) the amount of the allowances sanctioned is not susceptible of reduction.

Allowances sanctioned to *subordinate officials and menials* in the Malnad and other particularly unhealthy tracts do not bear cutting down.

(iii) The Kolar Gold Fields can no longer be considered a specially expensive locality such as to justify the grant of special local allowance to officers and officials on pay exceeding Rs. 50 employed in that area (including Bowringpet) and the Committee is of opinion that they should all be withdrawn. Article 112 of the Mysore Account Code, Vol. I may be modified accordingly. The special allowances granted in the Police reorganisation order of 10th May 1918 may continue in respect of the low paid staff *viz*, those on pay not more than Rs. 50, the allowances to the rest being cut out.

(iv) As regards duty allowance for arduousness of work or additional charge, local allowance for expensiveness of duty, carriage allowance, house rent allowance, etc., the case of each officer or class of officers has been duly considered on the merits, and the Committee after a careful review has come to the conclusion that considerable economies are possible here as indicated in the annexed Table VI.

164. The subjoined Tables I to VI show in detail the several cases in which allowances are sanctioned to officers at present, the Committee's suggestions with brief reasons therefor and the amount of saving possible in each case. If the Committee's recommendations are approved and brought into effect there will be an immediate reduction of about a lakh of rupees per annum in the State expenditure.

165. The Committee does not think that any general exemption need be made in favour of existing incumbents of offices whose allowances are proposed to be reduced or withdrawn; and the proposals relating to duty allowance in Committee'sr esolution No. 3 will so far as they are affected by the above opinion stand modified. If, owing to any exceptional reason, such as difficulty of transfer of officers, etc., there is undue hardship caused in any individual case, the present rate of allowance may be continued till change of incumbency. Such exceptional cases should, however, be very few.

ANNEXURE TO RESOLUTION No. 35.

No.	Designation of officers	Amount of present allowance	Allowance proposed by the Committee	Savings per mensem	Remarks showing briefly the reasons for alterations wherever necessary
		Rs.	Rs.	Rs.	
		I. MALNAD ALLOWANCE.			
	SHIMOGA DISTRICT.				
	Revenue Department.				
1	Amildar, Sagar	50	50		
2	„ Tirthahalli	50	50		
3	„ Nagar	50	50		
	Medical Department.				
4	Assistant Surgeon, Tirthahalli	50	50		
5	„ „ Sagar	50	25 (*a*)	25	(*a*) The town is not specially unhealthy. Full Malnad allowance is not necessary for the Assistant Surgeon at Sagar.
	KADUR DISTRICT.				
	Revenue Department.				
6	Amildar, Mudgere	50	50		
7	„ Koppa	50	50		
	Police Department.				
8	Coffee Inspector, Mudgere	50	25 (*b*)	25	(*b*) Allowance is high and capable of reduction by one-half.
9	„ „ Koppa	50	25	25	
	Medical Department.				
10	Assistant Surgeon, Koppa	50	50		
11	„ „ Mudgere	50	50		
	HASSAN DISTRICT.				
	Revenue Department.				
12	Amildar, Manjarabad	50	50		
	Police Department.				
13	Coffee Inspector, Manjarabad	50	25 (*b*)	25	(*b*) Allowance is high and capable of reduction by one-half.
	Medical Department.				
14	Assistant Surgeon, Manjarabad	50	25 (*a*)	25	(*a*) The town is not specially unhealthy. Full Malnad Allowance is not necessary for the Assistant Surgeon at Manjarabad.

No.	Designation of officers	Amount of present allowance	Allowance proposed by the Committee	Savings per mensem	Remarks showing briefly the reasons for alterations wherever necessary.
		Rs.	Rs.	Rs.	
		II. SEMI-MALNAD ALLOWANCE.			
	SHIMOGA DISTRICT. *Revenue Department.*				
1	Amildar, Shimoga	25	25		
2	„ Sorab	25	25		
3	„ Shikarpur	25	25		
4	Dy. Amildar, Kumsi	25	(*a*)	25	(*a*) Appointment proposed to be abolished.
	KADUR DISTRICT. *Revenue Department.*				
5	Amildar, Chikmagalur	25	25		
6	„ Tarikere	25	25		
7	Dy. Amildar Narasinharajapura	25	25		
	Medical Department.				
8	Assistant Surgeon, Tarikere	25	25		
	HASSAN DISTRICT. *Revenue Department.*				
9	Amildar, Belur	25	25		
10	Dy. Amildar, Alur	25	25		
	MYSORE DISTRICT. *Revenue Department.*				
11	Amildar, Heggaddevankote	25	25		
12	„ Hunsur	25	25		
13	„ Seringapatam	25	25		
14	„ Yedatore	25	25		
		III. KRISHNARAJASAGARA ALLOWANCE.			
1	Special Land Acquisition Officer	L. A. 50, Tentage 75, Fixed T. A. 100	L. A. 50 Tentage-nil Fixed T.A.-nil (*a*)	75	(*a*) No tentage is necessary. Fixed T. A. may also be done away with. Usual T. A. may be allowed as in the case of Revenue Sub-Division Officers.

2	Accountant	50	20% of pay subject to a maximum of Rs. 30 (*b*).	20(*b*)	(*b*) The usual allowance of 20% admissible to office establishment may be allowed.
3	Assistant Surgeon	75 (The present, incumbent Mr. Deonadayal Singh gets Rs. 100.)	50 (*c*)	50	(*c*) The allowance admissible to Assistant Engineers, *viz.*, Rs. 50, may be given. The officer gets besides C. A. of Rs. 50.
4	Executive Engineer in charge of Dam works	150 (Consolidated Charge allowance.)	150	....	
5	Executive Engineer Gauging Division, etc. ..	100,75	75		(*d*) Scale of Local Allowance to be revised. Permanent T. A. to be given only to officers to whom a conveyance allowance would be admissible under the rules of the M. S. R.
6	Assistant Engineers	100,75,50	50 (*d*)		
7	Mechanical Engineer	35	35		
8	Sub-Assistant Engineer	50, 30	30		
9	Supervisors and others on pay exceeding Rs. 100.	20% subject to a maximum of Rs. 30	No change.		
		IV. HIRIYUR AND OTHER UNHEALTHY PLACES.			
	HIRIYUR.				
1	Amildar	25	25	....	
2	Special Deputy Amildar, Vani Vilas Sagara..	20	..	....	It is understood that the post is abolished.
3	Sub-Assistant Engineer	30	30	....	
4	Benkipur, Assistant Surgeon	50	Nil (*e*)	50	(*e*) The town is not specially unhealthy and Local Allowance is not necessary.
5	Sivasamudram do	100	75 (*f*)	25 (*f*)	(*f*) The present allowance is high.
	A. OFFICERS.	* V. KOLAR GOLD FIELDS ALLOWANCE.			
	Revenue Department.				
1	Deputy Commissioner	150	....	150	* The place is not very expensive ; special allowance on this account is not necessary and should be withdrawn.
				50	
2	Amildar, Bowringpet	50	....		
	Judicial Department.				
3	Special Magistrate	150	....	150	
4	Munsiffs	75	....	75	
	Medical Department.				
5	District Medical Officer	100	....	100	
6	Health Officer	100	....	100	
7	Lady Apothecary, Robertsonpet	75	....	75	

Annexure to Resolution No. 35.—*contd*

No.	Designation of officers	Amount of present allowance	Allowance proposed by the Committee	Savings per mensem	Remarks showing briefly the reasons for alterations wherever necessary.
		Rs.	Rs.	Rs.	
	Mines.				
8	Chief Inspector of Mines	200	....	200	
9	Inspector of Mines	100	....	100	
10	Assistant Inspector of Mines	75	....	75	
11	Junior Inspector of Mines	50	....	50	
	Public Works Department.				
12	Supervisor, Bowringpet	50	....	50	
13	Superintendent, Pumping Establishment, Bethamangala	50	....	50	
14	Special Police Superintendent	100	....	100	

B. Official on pay exceeding Rs. 50.

The allowance of Rs. 5 per mensem given to officials in the Bowringpet Taluk, etc., on pay of over Rs. 50 per mensem as per clauses (*a*) and (*b*) of Article 112 of the Mysore Account Code may be discontinued.

The special allowance sanctioned to Police Establishment in the Reorganisation order of 10th May 1918 may in future be continued only in respect of those drawing a salary of Rs. 50 and under.

VI. DUTY ALLOWANCE, LOCAL ALLOWANCE ON ACCOUNT OF EXPENSIVENESS OF DUTY, Etc.

	General and Revenue Secretariat.				
1	Revenue Secretary	D. A. 150	100 (*a*)	50	(*a*) The present scale of allowance is high. One Secretary proposed to be abolished.
2	General Secretary	D. A. 150		150	
3	Under Secretary	D. A. 75 (to cease after transfer of present incumbents.)	75 (*b*)		(*b*) According to existing orders the grade of Under Secretary with the higher allowance of Rs. 75 is to be abolished after the transfer of the present Under Secretary (Mr. A. Ramanathan). In view of the readjustment of duties consequent on the reductions in the number of Secretariat officers as recommended by the Committee, it is considered necessary to retain a couple of Under Secretaries with higher allowance than that given to Assistant Secretaries.
4	Assistant Secretaries and Registrar ..	D. A. 50	50 (*c*) each.	200	(*c*) There is no justification for the grant of more than one D. A. to officers in the G. R. S.
	Assistant Secretary Edn.	Adl. D. A. 50			
	Assistant Secretary, Agriculture	D. A. 50			
	Assistant Secretary, I. & C. & E. Con. ..	D. A. 100			

5	Deputy Registrar	D. A. 30	L. A. 30 (*d*)	....	(*d*) L. A. on account of expensiveness of duty.
6	Private Secretary to Dewan	D. A. 75 L. A. 50	L. A. 75 (*e*)	50 (*e*)	(*e*) L. A. on account of expensiveness of duty to be continued. Duty Allowance is not necessary and may be cut out.
7	Personal Assistant to H. H. Yuvaraja ..	D. A. 100	L A. 75 (*f*)	25	(*f*) As in the case of Private Secretary to Dewan.
8	Personal Assistants to Members of Council 2	D. A. 50	L. A. 30 (*g*)	40	(*g*) L. A. On account of expensiveness of duty, on the scale allowed to the Deputy Registrar.
	Revenue Department.				
1	Revenue Commissioner	D. A. 200	Nil (*a*)	200	(*a*) As already recommended. Separate allowance for arduousness of duty to be cut out.
2	Assistants to Rev. Commissioner 2 ..	D. A. 50	50 (*b*)	50 (*b*)	(*b*) As in the case of subordinate Secretariat Officers. One Assistant to be abolished.
3	Amildars, Bangalore and Mysore	D. A. 50	Nil (*c*)	100	(*c*) No allowance necessary for arduousness of duty
	Survey and Settlement Department.				
1	Sub-Assistant Superintendent, Head-quarter Office.	D. A. 30	L. A. 30 (*d*)	....	(*d*) As in the case of Deputy Registrar, G. R. S.
	Forest Department.				
1	D. F. O. Tarikere, and Bhadravati Dvns, Officer in charge of Forest Surveys, Working Plan Officer.	D. A. 50	Nil (*e*)	200	(*e*) Special allowance for arduousness of duty to be abolished.
2	Officer in charge of Forest School	D. A. 50	Nil (*f*)	70	(*f*) The school is proposed to be closed..
3	Instructor Forest School, Mysore	D. A. 20			
	Excise Department.				
1	Excise Commissioner, etc.	D. A. 200	Nil (*g*)	200	(*g*) To be cut out as in the case of Revenue Commissioner.
2	Assistant to Excise Commissioner	D. A. 50	50 (*h*)	....	(*h*) To be continued as in the case of Secretariat Officers.
3	Two Inspectors doing duty as Excise Officers	D. A. 50	50 (*i*)	....	(*i*) To be continued as the officers are not given the pay of Assistant Commissioners.
	General Staff and Household of His Highness.				
1	Huzur Secretary	Staff allowance Rs. 200.	200	....	Fixed allowance in lieu of T. A.
2	Assistant Secretary to His Highness ..	Staff allowance Rs. 100	100	....	Do do do.
3	A. D. C. on the Personal Staff	D. A. 100 L. A. 100 Staff allowance 100	Nil (*a*) L. A. 100 100	100	(*a*) Duty allowance to be cut out. Only local allowance on account of expensiveness of duty to be continued. Fixed allowance in lieu of T. A.

Annexure to Resolution No. 35—*contd.*

No.	Designation of officers	Amount of present allowance	Allowance proposed by the Committee	Savings per mensem	Remarks showing briefly the reasons for alterations wherever necessary.
		Rs.	Rs.	Rs.	
	Accounts Department.				
1	Civil Service Assistant Comptrollers 3 ..	D. A. 50	50		
2	Mr. Srinivasamurthy, State Huzur Treasury Officer.	D. A. 100	50 (*b*)	50	(*b*) To be continued on the scale allowed to Assistant Secretaries to Government.
3	Assistant Comptroller in charge of the Industries Audit Section.	C. A. 50	50	....	
4	Do Local Audit	L. A. 50 each	Nil (*c*)	100	(*c*) Allowance on account of expensiveness of duty not necessary.
5	Do P. W. Inspection				
6	Do Book & Budget	D. A. 50	Nil. (*d*)	50	No special allowance for arduousness of duty necessary.
7	Senior Assistant Auditor Addl.	D. A. 50	Nil (*e*)	50	(*e*) The officer is given 2 duty allowances of Rs. 50. Double allowance is not necessary.
8	Assistant Comptrollers under training ..	D. A. 50	Nil (*f*)	50	(*f*) Allowance not to be given during the period of training.
	Jail Department.				
1	Superintendent, Central Jail, Bangalore ..	D. A. 100	D. A. 100	....	Responsible charge, grade pay of Assistant Commissioner not adequate.
2	Medical Officer, Central Jail, Bangalore ..	D. A. 50	D. A. 50	....	Additional charge.
3	Officer in charge of Mysore Jail. (Administration and Medical harge combined).	D. A. 100	D. A. 100	....	Do do.
	Police Department.				
1	Headquarter Assistant to I. G. P. ..	D. A. 50	D. A. 50	....	As in the case of Assistant Secretaries to Government.
2	Principal Police Training School	D. A. 50	Nil	50	School proposed to be closed.
	University.				
1	Vice Chancellor (Pay Rs. 2,000)	C. A. 100	Nil	100	Conveyance allowance not necessary for an officer of such high salary.
2	Principal, Central College				
	Do Maharaja's College	D. A. 200 each	D. A. 100	200	Present scale is high.
3	Principal, Engineering College	D. A. 100	Nil	100	Duty allowance in addition to pay not necessary in this case.

4	Officers doing Professor's work in addition to their duties. (2)	D. A. 100	75		50	Scale should be revised.
3	Curator (Mr. R. Shamasastry)	D. A. 100	75			Do
4	N. N. Iyengar, etc.	D. A. 100	75			Do
7	Do Assistant Professors and Tutors ..	D. A. 50 & 30	50 30			
8	Officers drawing grade pay in other departments transferred to the University (4).	D. A. 75	Nil	(*f*)	300	(*f*) Special allowance in addition to grade pay to be cut out.
	Education Department (General).					
1	Technical Assistant to I. G. E., (Mr. Venkatakrishna Rao)	D. A. 75	Nil	(*a*)	75	(*a*) Allowance in addition to grade pay not necessary. Technical Assistant proposed to be abolished.
2	Special Officer (Mr. R. Jaganath Rao) ..	D. A. 50	Nil	(*a*)	50	
3	Mr. C. Nanjundaiya	L. A. 25	25	(*b*)	....	(*b*) Special allowance for duty in the A. H.- School Bangalore, to be continued to present incumbent.
4	Head Master, Engineering School, and Secretary, Chamrajendra Technical Institute, Mysore ..	D. A. 50 D. A. 50	.... Nil	(*c*)	100	(*c*) The Engineering School is proposed to be transferred to Bangalore and amalgamated with the Mechanical Engineering School there. Allowance to the Secretary to be cut out.
5	Assistant Director, Boys' Scout— Mr. C. Subba Rao	25	25	(*d*)	....	(*d*) Sanctioned to present incumbent only. To cease after promotion to the office of Director, which is understood to be vacant.
	Medical Department.					
1	Medical Officer, Victoria Hospital, Bangalore. Krishnarajendra Hospital, Mysore and Minto Ophthalmic Hospital, Bangalore.	D. A. 150	D. A. 150		....	Private practice not permitted.
2	Allowance to District Medical Officers for being in Sanitary charge Bangalore, Mysore and other places.	D. A. 50	Nil	(*a*)	100	(*a*) Separate appointment of District Sanitary Officers proposed to be abolished.
3	Allowance to Principal, Medical School ..	D. A. 50	D. A. 50		....	Additional charge.
4	Allowance to lecturers in Medical School in Major Subjects.	D. A. 75	D. A. 50	(*b*)	....	(*b*) As already recommended. Scale to be revised.
5	Do in Minor Subjects and demonstrations.	D. A. 50	D. A. 30	(*b*)	....	(*b*) As already recommended. Scale to be revised.
6	X-ray allowance to Medical Officers, Victoria Hospital, Bangalore and Krishnarajendra Hospital, Mysore.	50	Nil	(*c*)	100	(*c*) Special allowance not necessary.

Annexure to Resolution No. 35—*contd.*

No.	Designation of officers	Amount of present allowance	Allowance proposed by the Committee	Savings per mensem	Remarks showing briefly the reasons for alterations wherever necessary.
		Rs.	Rs.	Rs.	
7	Superintendent, Lunatic Asylum and Medical Stores.	D. A. 50	D. A. 50	....	No private practice.
8	Medical Officer, Headquartes establishment .	D. A. 50 H. R. 30 C. A. 40	Nil (d)	120	(*d*) The appointment itself is proposed to be abolished.
9	District Medical Officer, Shimoga	C. A. 50	C. A. 50	....	In charge of the Jail.
10	R. M. O., Victoria Hospital, Bangalore .. Do Krishnarajandra Hospital, Mysore	D. A. 100	D. A. 100	....	No private practice.
11	R. M. O. Minto Ophthalmic Hospital ..	D. A. 50	D. A. 50	....	No private practice.
12	Medical Officer, Imperial Lancers	D. A. 50	Nil (*a*)	50	(*a*) It is presumed that the officer is given free quarters in the lines. No duty allowance is necessary.
13	Medical Officers, Palace (2)	D. A. 50 L. A. 50 for expensiveness of duty C. A. 40	D. A. Nil L. A. Nil C. A. 40	 240	Only Conveyence Allowance to remain. As already recommended, one officer proposed to go.
14	Medical Officer, Tuberculosis Hospital, Mysore	D. A. 50	D. A. 50	....	Private practice not to be allowed.
15	Assistant Surgeon, Local Fund Dispensary, Channapatna.	C. A. 20	C. A. 20	....	For weekly visits to the Sericultural Farm.
16	Lady Medical Officers	Sex Allowance 50 & 30	Nil	600	Separate cadre sanctioned for lady medical officers. No allowance necessary as already recommended.
	Industries and Commerce Department.				
1	Industrial Chemist and Secretary, Board of Scientific Advice	D. A. 50	Nil (*a*)	50	(*a*) Special allowance for Secretary's duties unnecessary.
	Botanical Gardens.				
1	Superintendent, Botanical Gardens ..	C. A. 75	Nil (*b*)	75	(*b*) No justification for the grant of conveyance allowance for an officer on high salary of Rs. 1,100.

2	Assistant Superintendent, salary 150–350 ..	C. A. 50	C. A. 50 (*c*)	....	(*c*) May be continued. It is presumed that the reasons for which the C. A. was originally granted still exist.
	Public Works Department.				
1	Deputy Chief Engineer	D. A. 150	Nil (*d*)	150	(*d*) Fixed pay of Rs. 1,000 proposed.
2	Assistant Secretary, P. W. D., and Personal Assistant to Chief Engineer.	D. A. 50	D. A. 50	....	As in the case of Assistant Secretaries, General and Revenue Secretariat.
3	Sub-Assistant Engineer, P. W. D. Krishnarajasagara Section.	L. A. 100	Nil (*e*)	100	(*e*) Appointment proposed to be abolished.
4	Executive Engineer, Bhadravati	D. A. 150	Nil (*f*)	150	(*f*) Special allowance on account of arduousness of duty or unhealthiness of locality not necessary.
5	Executive Engineer, Bhadra Anicut Range .	L. A. 50	Nil	50	Do do do
6	Engineers in charge of the Maramat Department (8)	D. A. 40	Nil	320	Separate Maramat Department proposed to be abolished and merged in the P. W. D.
7	Assistant Engineer working in the Muzrai Department.	D. A. 50	Nil	50	Appointment proposed to be abolished.
8	Executive Engineer, Palace	D. A. 100 C. A. 60	D. A. Nil C. A. 60	100 ($\frac{1}{2}$)	Local allowance to be cut out. Half the emoluments of the officer debited to Palace.
	Miscellaneous.				
1	Chief Officer, Mysore City Improvement Trust Board.	D. A. 50 for Land-Acquisition Officer's work.	Nil	50	Grants to the Mysore City Improvement Trust Board considerably reduced.
2	Executive Engineer, City Improvement Trust Board.	D. A. 100	Nil	100	D. A. unnecessary.
	Electrical Department.				
1	Assistant Engineer (250—400.)	D. A. 100 C. A. 40	D. A. Nil C. A. 40	100 (*a*)	(*a*) Duty allowance in addition to grade pay not necessary.
2	Assistant Chief Electrical Engineer, (750—1,000.)	C. A. 35			
3	Technical Assistant to Chief Electrical Engineer (400—700.)	C. A. 35			
4	General Electrical Inspector (350—650.) ..	C. A. 35			
5	General Superintendent, Generation; Sivasamudram. (1,000—1,500.)	C. A. 50	Nil (*b*)	325	(*b*) Conveyance allowance to these eight officers on high salaries not necessary.
6	Assistant do (750—1,000)	C. A. 50			
7	Chief Operator, Kolar (400—750.) ..	C. A. 35			
8	Superintendent, Bangalore Power and Lighting (400—750.)	C. A. 35			
9	Do Mysore Power & Lighting (400—750	C. A. 50			

Annexure to Resolution No. 35—*concld.*

No.	Designation of officers	Amount of present allowance	Allowance proposed by the Committee	Savings per mensem	Remarks showing briefly the reasons for alterations wherever necessary.
	Railway Department.	Rs.	Rs.	Rs.	
1	Assistant Agent (Engineering)	D. A. 50	Nil (*c*)	100	Headquarters, Mysore, D. A. in addition to pay unnecessary.
2	Assistant to the Traffic Manager	D. A. 50			
3	Executive Engineer, Tramway Division ..	L. A. 100			
4	Assistant do (2)	L. A. 50	Nil (*d*)	300	(*d*) Construction allowahce for Engineering Officers not necessary.
5	Assistant Survey Division . ..	L. A 100			
	Military Department.				
1	Personal Assistant to Chief Commandant ..	D. A. 100	50 (*e*)	50	(*e*) As in the case of Assistant Secretaries to Government.
2	Accounts Assistant to do	D. A. 50+100	D. A. 50 (*f*)	100	(*f*) As in the case of Assistant Comptrollers; no multiplicity of allowance should be permitted.
3	Superintendent, Military Stores (Pay 68.) ..	L. A. 50	L. A. 50 (*g*)	....	(*g*) Responsible charge, Grade pay not adequate.
	Government Stables.				
1	Superintendent, Government Stables ..	D. A. 50 H. R. 30	D. A. 50 (*h*)	30	(*h*) Duty allowance for charge of Transport Corps Workshop to continue. House rent allowance not necessary and may be cut out.
	Abstract of Savings.				
	I. Malnad Allowance	....	....	125	
	II. Semi Malnad Allowance	....	....	25	
	III. Krishnarajasagara Allowance ..	....	....	145	
	IV. Hiriyur and other unhealthy places	....	....	75	
	V. Kolar Gold Fields Allowance ..	....	....	1,300	
	VI. Duty Allowance, Local Allowance on account of expensiveness, etc.	....	....	6,320	
				7,990 per mensem, or 95,880 per annum	
	Approximate savings on account of abolition of local allowances for expensiveness of locality to establishment on pay exceeding Rs. 50 in Kolar Gold Fields, Davangere, etc.	....	....	4,000	
	Total Savings ..	....	....	99,880 roughly one lakh of rupees per annum.	

Resolution No. 36.—COMBINATION OF CERTAIN HEADS OF DEPARTMENTS.

166. The question of suitably combining the functions of certain Heads of Departments so as to abolish one separate Head of Department with a substantial saving to Government was discussed by the Committee. Various suggestions have been made by the non-official witnesses in this connection. These are:—

(i) The Office of the Revenue Commissioner may be abolished, the appeal and inspection work being taken over by Government and larger powers given to the Deputy Commissioners.

(ii) The appointment of Excise Commissioner and Inspector-General of Registration, Commissioner of Stamps and Income-tax may be abolished by

(*a*) his entire work being turned over to the Revenue Commissioner, or

(*b*) the Income-tax, Registration and Stamp Commissioner's duties being added on to the Revenue Commissioner and the Excise work being entrusted to the Inspector-General of Police or the Conservator of Forests.

(iii) The Office of Director of Industries and Commerce may be abolished, the portion of his work relating to the machinery and technical branch being entrusted to the Chief Engineer and the rest to the Inspector-General of Education.

167. The Committee has carefully considered this important matter in several sittings and has come to the conclusion that the abolition of one Head of Department is a feasible measure of economy and that the functions of that officer may be conveniently assigned to one or more of the remaining Heads of Departments by suitable readjustment of work.

168. In the opinion of the Committee the following proposals are the most practicable under the present circumstances:

(*a*) The functions of the four Heads of Departments, *viz.*, the Revenue Commissioner, the Excise Commissioner, etc., the Inspector-General of Police and the Director of Industries and Commerce may be performed by three officers and the office of the fourth may be abolished without sacrifice of efficiency.

(*b*) The present arrangement and redistribution of Heads of Departments proposed by the Committee are as follows:—

Present		*Proposed*	
Designation	Departments in charge	Designation	Departments in charge
1. Revenue Commissioner.	Land Revenue	1. Commissioner of Land Revenue and Income-tax.	Land Revenue and Income-tax.
2. Excise Commissioner.	Excise, Income-tax, Stamps and Registration.	2. Excise Commissioner and Director of Industries.	Excise, Industries and Commerce.
3. Inspector-General of Police.	Police.	3. Inspector-General of Police and Registration and Commissioner of Stamps.	Police, Registration and Stamps.
4. Director of Industries and Commerce.	Industries and Commerce.		

(c) The Office of the Revenue Commissioner is necessary in the economy of the State, and should be retained in the interest of land revenue administration and for development of land revenue resources. But he should not be a mere intermediary as at present. To secure the object in view and minimise unnecessary correspondence and scriptory work there should be a larger devolution of powers from Government to that Officer and from the Revenue Commissioner to the Deputy Commissioners.

As the Revenue Officers are entrusted with supervision of Income-tax work in the Moffusil where stricter administration of the Income-tax Law is necessary, the Revenue Commissioner may be appointed *Ex-officio* Income-tax Commissioner instead of the Excise Commissioner. This will ensure better attention being paid to Income-tax work by Taluk Amildars and Sub-Division Officers than what is now the case.

(*d*) The suggestion made by the witnesses for combining the office of Excise Commissioner with that of the Inspector-General of Police or Conservator of Forests is not acceptable to the Committee. In view of the threatened fall in Excise Revenue and of the uncertainty of its course, the Committee thinks it necessary and desirable that an officer who considers excise work as his principal function should be retained and he should exercise constant and vigilant supervision over excise revenue.

In the opinion of the Committee the preferable arrangement would be to make a readjustment of that officer's functions, relieve him of the control of Income-tax as already stated and also of Registration and Stamp Revenue and transfer the functions of the Inspector-General of Registration and Stamp Commissioner, to the Inspector-General of Police.

(*e*) The Committee has already expressed the opinion that, in view of the restricted grants that can be placed at his disposal, the Director of Industries and Commerce will not have sufficient work and that he should be given the work of some other Department in addition, to keep him fully engaged. The Committee thinks that the balance of advantage lies in combining the not heavy work of the Director of Industries and Commerce with that of the Excise Commissioner who will be relieved as elsewhere proposed of the supervision of Income-tax, Registration and Stamp Revenue. Under this arrangement the distribution of work among the several officers will be more equitable, the integrity of the Department of the Industries and Commerce will be maintained and an appreciable saving of about Rs. 17,000 per annum will also be immediately effected. Mr. Chennaiya is not in favour of combining the office of Director of Industries and Commerce with that of the Excise Commissioner, but would abolish the post of Registrar of Co-operative Societies and transfer his work to the Director.

Resolution No. 37.—Barr Infantry.

169. The question of reducing the cost of Barr Infantry and of transferring its civil duties of treasury guard and escort to the Police was considered by the Committee in the light of the information furnished by the Chief Commandant and the Inspector-General of Police.

170. The Barr Infantry consists of 3 battalions and is of the following strength, *i.e.*, 60 Officers, 432 Non-Commissioned Officers and 1,320 Sepoys costing about Rs. 4,17,000 per annum.

It is learnt from the Chief Commandant that 90 Havildars, 100 Naicks and 542 Sepoys are employed on purely civil duties (*vide* details in statement attached, page 61) and that the rest of the Barr Force, *viz.*, 60 Officers, 194 Non-Commissioned Officers, 48 Drummers and Fifers and 778 Sepoys are available for Military duties and ceremonial functions, as well as for furnishing relief to the treasury guard.

The cost of that portion of the Barr Establishment which is detailed for civil duties may be roughly taken to amount to 1½ lakhs of rupees per annum.

171. The Inspector-General of Police, Mr. Subramanya Iyer, estimates that, if the civil duties of the Barr are to be taken over by the Police, an additional Police establishment of 79 Duffedars and 474 Constables would be necessary, costing a sum of Rs. 1,09,908. In framing this estimate he does not appear to have made provision for escort of remittance or for the guard of certain temples, *e. g.* Nanjangud, Chamrajnagar etc., which is undertaken by the Barr at present; and there is also the necessity for maintaining a suitable reserve to take the place of the men detailed for treasury duty during sickness, casualty, etc. The Committee is not convinced that the transfer of the Treasury guard duties to the Police Department will result in any appreciable saving to Government on the whole. As the Chief Commandant also is not in favour of the proposal, the long standing arrangement of the treasuries being supplied with Barr guard may in the Committee's opinion, continue. At the same time the Committee ventures to point out that it is not fair to the general tax payer to maintain the Barr establishment at its

present strength in this financial stress and that it is capable of reduction by about a third costing about Rs. 1,40,000, keeping the minimum force necessary for civil duties and military functions, drill, etc. This reduced Force which may comprise 2 Battalions only should of course be kept in an efficient condition, if it should serve the purposes intended. By this arrangement the Barr Force will be kept up as a separate Unit of the Military Department with the pruning necessitated by financial exigencies and the guard of the State Treasuries continue to be served as heretofore. The total annual expenditure on the Infantry is Rs. 4,17,000 and if the Committee's recommendation is accepted about 1 lakh of rupees can be saved out of the said amount after providing Rs. 40,000 for additional expenditure on the remaining two battalions towards improving their efficiency.

Statement showing purely Civil duties done by the Mysore Infantry.
(*Annexure to para* 170.)

Special Guards	Havildars or Lance Havildars	Naiks or Lance Naiks	Sepoys
State Huzur Treasury	2	4	18
Shimoga District Treasury	2	2	16
Mysore do	2	3	15
Chitaldrug do	2	2	10
Chikmagalur do	1	2	9
Nanjangud Taluk and Temple	2	2	12
Chamrajnagar do	1	4	15
Shimoga Lock-up do	1	2	9
Ordinary Guards.			
Kolar, Tumkur and Hassan District Treasuries at 1—1—6	3	3	18
Sixty Taluk Treasuries at 1—1—6	60	60	360
Reserve Guards.			
Five Taluk Treasuries at Bangalore, Mysore, Shimoga, T.-Narsipur and Kolar ..	2	3	15
Mysore Bank, Bangalore	0	1	3
Stamp Manufactory and Stamp Stores ..	2	2	12
Total ..	80	90	512
Add for remittance duties in all districts ..	10	10	30
Grand Total ..	90	100	542

Resolution No. 38.—Reduction in the Menial Establishment.

172. Several non-official witnesses have stated that the expenditure on menial establishment is very much more than what the public service demands and have advocated the entire abolition of the system of home orderlies to Government Officers and also reduction of staff working in offices to the minimum absolutely necessary.

173. Mr. K. L. Datta, the Special Officer, who scrutinised the State's finances a few years ago has recorded the following observations in regard to the unnecessarily large number of menials employed in the several offices of the State:—

" The next point which I should bring prominently to notice is the enormous number of menials on the poorest possible pay, attached to many of the officers of the State. As an outsider, it seems to me to have been possible for the State to have got such a large number of men on such poor pay, only because the work allotted to each, owing to the enormous number of men employed, is extremely light. Its main effect is to create a class of men who lead a most idle life and eke out a most miserable existence. I am of opinion that the minimum pay of these men should be fixed at Rs.8 or even Rs. 9 and that a considerable part of the extra cost which would be involved by this measure should be met by reducing the number of men employed. Such an increase would improve the general condition of the country by improving the material

condition of this section of the people and making them earn decent living by more honest work."

The recent enhancement of the pay of the Menial Establishment on account of high prices has considerably added to the State's expenditure and an appreciable reduction in the number of menials employed by the State is all the more necessary at present.

174. From the Secretariat file on this subject specifically referred to the Committee, it is found that there are at present about 6,000 menials (including a few hands whose pay is charged to District and Municipal Funds) doing duty in offices or at residences of Officers, exclusive of Police Constables, Excise Tree-Markers, Forest Guards, Process Servers, Jail Warders, Rank and File of the Military and the menials of the Railway Department, who are entertained for executive duties as their legitimate work. The total number of inferior servants in the whole State excluding Railway and Capital departments is roughly 18,000 costing Rs.19 lakhs per annum. Out of the staff of about 6,000 "Civil Peons" above referred to, which may be estimated to cost about 6 lakhs of rupees per annum, about 3,000 or roughly 50 per cent of the total strength are employed on duty with officers *viz.*, 1,400 working in offices as their orderlies and 1,600 at their residences, the rest being employed on general duty in offices carrying files, messages, etc., or on specific duties assigned to them such as delivery of letters, guard duty, cleaning offices, lascars,mutchis, binders, etc.

175. The system of Government officers being permitted to have a certain number of orderlies detailed for duty at their residences mainly for despatch of public business has long been recognised in the State and the Committee's attention has been drawn to the order of Government No. G. 6620-45—G. M. 236-07-1, dated 13th May 1908, an extract of which is reproduced below :—

"(*i*) As a rule, orderlies are to be allowed to a Gazetted Officer for attendance on him in office and such officer may, solely with a view to facilitate disposal of Government work, be permitted to detach a certain number according to requirements for duty at his residence.

(*ii*) In the case of Heads of offices and departments including Secretaries to Government who may be generally required to attend to Government work or receive visitors on official busines at their residences, a distinction between office and home orderlies may be made, and the number of the latter fixed on a consideration of the rank and position of the officer and the nature and the quantity of work to be done by him out of office."

176. Various other considerffiot reana also urged in support of the existing arrangements of providing Government Oscersi with a number of home orderlies, such as :—

(1) The need for maintaining a certain amount of ceremonial and dignity in respect of certain high officers such as members of Government and the Judges of the Chief Court.

(2) Frequency of touring and the need for maintaining one or more camps.

(3) The need for providing for shifts of duty so as to have a number of men on duty at all hours of the day or night.

177. A reference to the statistics given in the Secretariat file shows that home orderlies are at present permitted in several cases in which the arangement cannot be justified even on any of the considerations above set forth, and that at any rate the number of peons now detailed for such duty is unnecessarily large in a very large number of cases. The system has led to abuse. It will be observed that certain officers in the lower as well as in higher grades have as many as 10 and 12 peons detailed for duty at their residences. The Committee is not convinced that it is at all necessary in the interest of public service to provide any peons at Government expense for duty *solely at the residence of officers*. At the same time, the Committee considers that sudden withdrawal of home orderlies from all officers as suggested by some of the witnesses is under present conditions undesirable for various reasons, and that the privilege should, under strict limitations to be specified later, be continued only in respect of high functionaries and officers having executive duties which bring them in contact with the general public. The privilege should' however, be gradually done away with even in these cases in course of time. In this view the Committee would submit the following proposals for regulalating the number of orderlies to Government officers at their residences :—

(*i*) No change is proposed in the scale of orderlies of the Dewan and His Highness the Extraordinary Member of Council.

(*ii*) The Members of Council and the Judges of the Chief Court may be allowed four home orderlies each.

(*iii*) Heads of specified major departments having frequent touring work throughout the Province such as the Revenue Commissioner, Excise Commissioner, Chief Engineer and Inspector-General of Education may have four orderlies each.

(*iv*) Vice-Chancellor of the Mysore University, Heads of all other Departments including Inspector-General of police (who may be permitted to have a certain number of Police orderlies in addition as explained in para 179 *infra*) all Secretaries to Government, Deputy Commissioners of Districts (who may also be given Police orderlies), District Judges and all officers of corresponding rank and status to have two orderlies each.

(*v*) Superintendent Government Printing, Superintendent, Government, Gardens, Executive Engineers and Officers of similar rank in independent charge of offices, Sub-Judges, Registrar of Chief Court, Registrar of Mysore University, Private Secretary to His Highness the Yuvaraja, Private Secretary to the Dewan, Registrar of General and Revenue Secretariat, Assistant Commissioners in charge of Sub-Divisions and all Gazetted Officers in all departments not above specified, having executive duties, to have one orderly each.

NOTE.—(1) Under and Assistant Secretaries to Government, Office Assistants to Heads of Departments, Treasury Assistant Commissioners, Munsiffs and all other Gazetted Officers not having touring work need not be allowed any home orderly.

NOTE.—(2) Superintendent and Assistant Superintendent of Police, who will be permitted to have Police orderlies, need not be given any Civil peons.

(*vi*) The following subordinate officers having executive work may, on account of the special nature of their duties, be allowed home orderlies on the undermentioned scale :—

(a) Amildars and Deputy Amildars two each besides a Police orderly in addition.
(b) Sheikdars two each.
(c) Other executive subordinates such as Excise Inspectors, Sanitary Inspectors, etc., one each.

According to the above general principles the Committee estimates that there will be a reduction of about 800 peons or 50 per cent of the number now employed on duty at the residences of officers.

178. *Orderlies to officers in Office.*—The Committee is of opinion that the number of peons detailed for attendance on officers in offices is also much in excess of requirements in several cases and may be cut down. Some officers seem to have as many as 6 peons attending on them in office. Ordinarily one peon should be enough in the case of all officers below the grade of Deputy Commissioners to whom and to officers of higher rank two peons (including a menial officer) may be allowed.

The Committee thinks that in no case would a larger number be necessary for attendance solely in Office. In the case of touring Officers it should not be difficult to arrange for camp work by detailing the necessary staff out of the total number of men on duty with them in office and at residence.

179. Besides the " Civil Peons " on orderly, duty, certain officers are given Police constables for attendance on them and the Committee considers that the number of Policemen withdrawn from their legitimate work is too large and should be reduced.

The Committee would propose the following scale of Police orderlies for attendance on officers at offices or residences as the case may be:—

	Number.	
Inspector-General of Police ..	4	In addition to the usual number of " Civil Peons " two or one for Office and two at residence as the case may be.
Deputy Commissioners of Districts.	3	
Superintendent of Police ..	4	No Civil peons to be allowed. two for Office and two at residence.
Assistant Superintendent ..	3	Two for Office and one at residence.
Amildar	1	In addition to Civil Peons at residence.
Headquarter and Taluk Police Inspector.	1	For residence.
Prosecuting Inspector Public Prosecutors.	..	No orderlies.

One Police constable may be given as Court Orderly for each Magistrate's Court, subordinate to the District Magistrate (including that of Amildar Magistrates). The above proposals will not however permit of any reduction being made in the number of Police peons or the cost of the Police Department, but they will set free a large number of constables now doing menial work for their legitimate duties in the department.

180. As regards the number of menials employed in office work in general or on specifically assigned duties, the Committee recommends a general reduction of 12½ per cent in all offices having a larger number than 8 peons engaged on such work. The cases of offices with a smaller number of menials will have to be individually dealt with and the superfluous staff reduced.

181. If the foregoing recommendations are accepted, the Committee estimates the total reduction under menial establishment at about 1,200 in number costing about 1¼ lakhs of rupees per annum (including pay and clothing charges).

Resolution No. 39.—JUDICIAL DEPARTMENT.

182. The representatives of the Law Associations of Bangalore, Mysore and Shimoga, and a number of other non-official witnesses suggested certain measures of retrenchment and economy, and of improvement of working in the Judicial Department, the chief of which are the following:—

(1) Abolition of Circuit Sessions.

(2) Stricter observance of the Small Cause Regulation in the procedure followed in the disposal of Small Cause suits.

(3) Abolition of the Bangalore District and Sessions Court, or in the alternative, reduction in the number of Judges of the Chief Court by one.

(4) Abolition of the post of the Deputy Registrar of the Chief Court.

(5) Combination of the Narasimharajpur Munsiff's Court with that of the Tarikere Special 2nd grade Magistrate Court, by entrusting to one officer both Civil and Criminal work.

(6) Abolition of the Munsiff's Courts at Davangere and Maddagiri.

(7) Extension of the Judicial Separation Scheme to all the districts by combining civil and criminal work in the same Judicial officer instead of having separate 1st and 2nd Grade Magistrates' Courts and Munsiffs' Courts.

183. The opinion of the Chief Court was invited as regards the feasibility of the proposals and this has been received with the Registrar's letter No. 119 of 11-12, dated 17th June 1922.

The Judges are not in favour of any of the suggestions above referred to, except item No. 5, which proposal they consider as feasible. The Chief Court says: "The Civil work of the Munsiff is not very heavy and the Magistrate at Tarikere has also not a very heavy file and there can be no serious objection for the civil and criminal cases being disposed of by the Munsiff, at any rate as a tentative measure The retrenchment effected would be the abolition of one criminal court and the proposal should, the Judges think, be examined by the Police Department".

The Committee accordingly recommends for the consideration and acceptance of Government this measure of retrenchment, which is expected to result in a saving of about Rs. 5,000 per annum. The combined Munsiff-Magistrate Court may be located at Narasimharajapura or at Tarikere, according as either arrangement suits the public convenience.

In view of the strong expression of opinion of the Chief Court against the other suggestions, the Committee does not propose to make any recommendations regarding them.

Resolution No. 40.—COMPTROLLER'S OFFICE.

184. Many of the non-official witnesses that gave evidence before the Committee suggested the combination of the office of the Comptroller and Financial Secretary and a large reduction in the number of Assistant Comptrollers. The feasibility of of retrenching the expenditure on the account and audit establishment was examined by the Committee in detail in consultation with the Comptroller and the Financial Secretary.

Owing to the magnitude of the work to be attended to by the Comptroller personally and the very close attention that the State's finances demand during this critical period, the Committee considers it undesirable to combine the offices of the Comptroller and the Financial Secretary.

185. As regards retrenching expenditure in other directions, the Comptroller has pointed out that a reduction of nearly Rs. 53,000 has been effected in the budget of 1921-22 and that unless and until there is considerable curtailment of activities and reduction of expenditure in all other departments, it would not be possible to further retrench his budget grants without serious sacrifice of efficiency. The Committee (excepting Mr. Krishna Rao, who thinks that with existing work this reduction is not posssible) has reason to think that it is possible to reduce the number of Assistant Comptrollers by two by giving some Account and Audit work to the Huzur Treasury Officer and also some additional work to the Assistant Comptroller in charge of Industrial Audit. But the Comptroller does not agree to this arrangement. The Committee is averse to make any recommendation that will have the effect of impairing efficiency in the close scrutiny and audit of public revenue and expenditure.

186. In view, however, of the present stress, the Comptroller is agreeable to spare a sum of Rs. 8,800. He says: "There are two Probationary Assistant Commissioners attached to my office. I have already my full complement of Gazetted staff and one or two posts legitimately open to my Senior Superintendents are withheld from them owing to the absorption of Assistant Commissioners in the permanent cadre. Further training of Junior Officers for work in this office may not be necessary for some time to come and I shall have no objection to spare the two officers for duty elsewhere. The savings thus effected would amount to Rs. 650 a month or Rs. 7,800 a year. Contingencies were reduced from Rs. 11,000 last year to Rs. 7,500 this year, and I can attempt to reduce it still further to say Rs. 7,000. Under books and multigraph, a reduction of Rs. 500 may be possible. There would thus be in all a total reduction of (7,800 plus 500 plus 500) Rs. 8,800."

The Comptroller is also agreeable to suspend for a couple of years the scheme of sending annually to Bombay two accountants for training in Commercial Audit. This will give a saving of Rs. 3,600 a year.

These proposals may be accepted.

187. In view of the reduced level of grants allotted for the Krishnarajasagara Works, the Committee believes that the Accounts Staff now costing Rs. 22,056 is capable of considerable curtailment, *i.e.*, by about Rs. 10,000. The Comptroller is investigating the matter. The Committee has already recommended to Government a reduction in the allowances of certain Assistant Comptrollers in the Resolution on the subject of duty and other allowances. *Vide* No. 35.

188. The Committee understands that in British India the audit procedure has recently been simplified in several directions. The system of Accounts and Audit in Mysore is based mainly on the Government of India model and if the new methods of simplification of audit work tested elsewhere be adopted here, the Committee believes that a reduction in the Audit Establishment would be possible. This aspect of the case requires further examination.

189. According to the above proposals of the Committee, the retrenchment that can immediately be effected in the cost of the Comptroller's Office will amount to Rs. 14,800 as per details givenhere under:—

		Rs.	
1.	Two Assistant Commissioners under training	7,800	
2.	Suspension of the scheme for deputing accountants for Commercial Audit	3,600	
3.	Contingencies	1,000	
4.	Duty allowance of Officer in charge of State Huzur Treasury to be reduced to Rs. 50 per mensem, and of Assistant Comptroller in charge of Book and Budget, Rs. 50 per mensem to be cut out	1,200	Already recommended in Resolution No. 35.
5.	Local allowance of the Assistant Comptrollers in charge of L. A. D. and P. W. Inspection	1,200	
		14,800	

Resolution No. 41—AGRICULTURE, GARDENS, AND SERICULTURE DEPARTMENTS.

I. Agriculture.

190. Regarding the Director of Agriculture, recommendation has already been made for fixing his salary at Rs. 1,200 per mensem on change of incumbents (*Vide* Resolution No. 3).

191. The Committee discussed details with Dr. Coleman regarding the organisation and working of the Departments under his control and inspected the Hebbal Farm.

192. The Committee is given to understand that the duty of the Chemist for Agriculture and Geological Departments (Mr. H. V. Krishnaiya) consists partly in supervising the work of the two Assistant Chemists on 70 to 150 engaged in the Chemical Laboratory on behalf of the Geological Department and partly in attending to the Office work of the Agriculture Department as Personal Assistant to the Director.

The Director of Geology, Mr. Jayaram, is of opinion that there is not sufficient work in the Geological Department for two Assistant Chemists and that one Assistant Chemist would be sufficient for purpose. The Committee has already recommended that for purely Geological Department work one Chemist will do.

In the Agriculture Department, besides the Director, there is the Deputy Director and an Assistant Director for the general work of the Department and the Committee is strongly of opinion that a Personal Assistant to the Director is unnecessary and that the post of the Chemist for Agriculture and Geological Departments doing duty as Personal Assistant to the Director may be abolished. It will conduce to public convenience, besides securing economy in cost, if the Deputy Director works in the Director's Office.

193. The Budget provides for a contribution of Rs. 2,300 towards the pay of the Planting Expert and the Committee has reason to believe that there is no adequate return to Government for this expenditure. The provision may be deleted.

194. The several activities of the Department are intended for the improvement of the agricultural population of the State and the Committee does not wish to propose any further reductions in the grants now being allotted therefor. The Committee desires to observe that endeavours should be made for the several experimental farms being run without much loss to Government, as far as possible. Greater attention should be devoted for systematically conducting demonstrations of improved tillage, etc., on the ryots' private holdings. The system of supplying manure and seeds to ryots requires to be improved and the heavy outstanding under this head should be recovered early.

195. The Live Stock Expert is engaged for a term of five years and is now conducting experiments in improving the breed of draught bullocks and milch cows and sheep and in devising the methods of economical feeding. The results of the experiments will be awaited. The Committee does not deem it necessary to offer any suggestions for reducing expenditure under this head at this stage.

II. Botanical Gardens and Experimental Fruit Cultivation.

196. Mr. Krumbiegel, Superintendent, Government Gardens explained to the Committee that no material retrenchment in the grants under his control was possible, as the several additions made to his budget from time to time were due to various works *i.e.* buildings and roads, formerly undertaken by the Public Works Department, having been transferred to his budget and also to new activities of the Department such as Sunkal Farm, extensions of Cubbon Park and other Minor Gardens, etc. In view of the financial stress, however, he was agreeable to postpone certain improvements of Parks and Minor Gardens and reduce the grant of Rs. 13,486 allotted for the purpose to Rs. 6,000. He thought that some economy in the cost of establishment would be secured if the gardeners and other employees, whose main work is manual labour, be engaged on the non-pensionable basis, the Superintendent being permitted to have discretion in the matter of readjusting their pay from time to time according to circumstances and in this view he agreed to surrender a sum of about Rs. 1,000, working to a total reduction of Rs. 8,400. The Sunkal Experimental Farm, upon which a lakh of rupees has been invested up-to-date, should in the opinion of the Committee be made self supporting.

III. Sericultural Department.

197. In the Sericultural Department the following recommendations are submitted after discussing details with the Superintendent, Mr. Rama Rao:—

The Committee understands from him that the four Demonstration Farms at Bababudans, Chikmaglur, Chickmudavadi and Devanhalli are not working satisfactorily and will be abolished. These Farms are costing a sum of Rs. 1,506 per annum excluding the pay of Inspectors who will also be set free; but Mr. Rama Rao wants to utilise these Inspectors in connection with his scheme of developing the system of aided grainages, and is only agreeable to retrench 3 clerks and 5 operatives in the last grade.

There are two vacancies among the Sericultural Inspectors, one in the Senior Grade on Rs. 100-150 and another in the grade, Rs. 57-77. Against these two vacancies Mr. Rama Rao proposes to keep two vacancies in the last grade of Rs. 35-45 unfilled, in view of financial stringency.

The Committee does not agree to the two Inspectors, that would be released after the four Farms above referred to are closed, being retained and otherwise utilised as proposed by Mr. Rama Rao. Their posts may be abolised. The post of a Senior Inspector which is now vacant need not be filled up and should also be abolished. There are two Sericultural Inspectors who have no specific duties allotted to them at present and the Committee is of opinion that there is no justification to continue these posts as reserve in the present financial stress. They should be done away with.

According to the above proposals the total retrenchments in the Sericultural Department would amount to Rs. 6,120 as per details below:—

	Rs.
1 Senior Inspector 700–10–150 to be abolished	1,800
4 Inspectors on 35–45 „	2,160
3 Clerks (1) 35. (1) 30. (1) 25. „	1,080
8 Operatives on Rs. 18 each „	1,080
Total ..	6,120

198. *Summary of Retrenchment Proposals—*

I. Agriculture:—	
Abolition of the post of Chemist, Agricultural and Geological Departments (700)	8,400
Deletion of contribution to Planting Expert	2,300
Total ..	10,700
II. Gardens:—	
Reduction in the grant for improvements for Parks and Minor Gardens	7,486
Reduction in establishment	1,000
Total ..	8,486
III. Sericulture (as per details above)	6,120
Total I, II & III ..	25,306

Section III.—Improvement of Revenue and Resources.

199. The Committee has carefully examined the feasibility of immediately improving the revenues and the following proposals calculated to enhance the revenue resources to the extent of about 8·64 lakhs per annum are recommended. An additional non-recurring revenue of about 26·80 lakhs will also be secured, when the proposals are fully worked out.

200. (*a*) *Forest.*—(i) The Committee understands from the Conservator that there is a large stock of reserve material in the shape of timber requiring exploitation in the rich teak forests of Haggaddevankote and that the Ghat Forests in the Shimoga

District have remained untouched. If a grant of about Rs. 50,000 in the first year and a lakh in the next year are placed at his disposal for working expenses, Mr. Ramaiengar promises an extra revenue of 3½ lakhs. The Committee supports this proposal.

(ii) License fees for removing fuel which vary from annas 8 to annas 4 for a cart-load are low and as suggested by the Conservator may be slightly enhanced by annas 2 per cart-load. This will give an increase of about Rs. 20,000.

(iii) The fees for grazing in State Forests are susceptible of increase and the Committee, agreeing with the Conservator, recommends their being doubled throughout the State.

(*b*) *Medical.*—Fees may be levied in all hospitals and dispensaries in the State, as in the Cities of Bangalore, Mysore and Robertsonpet. The Senior Surgeon agrees to this proposal. He further suggests that the fees charged for admission to special wards in the Major Institutions may be doubled, *i.e.*, from Rs. 2 and Re. 1 per day to Rs. 4 and Rs. 2 respectively. This may be done.

(*c*) *Travellers' Bungalows.*—The fees for occupation of 1st and 2nd class travellers' bungalows, *viz.*, Re. 1 and Annas 8 per day, respectively, are capable of enhancement. They may be raised by 50 per cent. The concession of charging half rates to Government Officers drawing less than Rs. 200 may be withdrawn. The Revenue Commissioner is agreeable to these proposals, which may yield an increased revenue of about 10,000 rupees.

(*d*) *Co-operative Societies.*—As suggested by Mr. Ranga Rao exemption from payment of Court fees now granted in respect of suits filed before the Registrar may be withdrawn (*vide* Resolution No. 27). This will yield an annual income of Rs. 12,000.

(*e*) *Amrit Mahal Department.*—If Government approve of the reconstitution of the Amrit Mahal Department as recommended by the Committee (*vide* Resolution No. 29) and the lands released are put up for sale to the raiyats, there will be an increase of revenue of Rs. 50,000 annually and about Rs. 25 lakhs may be realised from the sale of lands and cattle.

(*f*) *Kunigal Stud Farm.*—On the abolition of this Farm as proposed by the Committee (*vide* Resolution No. 32) the lands occupied by it may be set free for agricultural purposes and sold to raiyats. They will fetch about Rs. 1,30,000 as sale proceeds and yield an annual revenue of Rs. 2,500. The realisation from the sale of stock, stallions and mare, etc., is estimated at Rs. 50,000.

201. *Enhancement of Stamp Duty, Court Fees and Registration Fees.*—The question of enhancing Stamp duties, Court fees and Registration fees as recently adopted in Madras and other British Provinces was examined by the Committee. Reviewing the result of the recommendations so far made for retrenchment and economy and for improvement of revenue, the Committee considers that it would not be possible to fully cover the budget deficit without resort to some additional taxation. At the same time the Committee views with concern any heavy addition to the burden on the tax-payer. Owing to the comparatively low economic level of the people of the State, enhancement up to the limit imposed in Madras seems undesirable. In that Province, broadly speaking, the *ad-valorem* Stamp duty and Court fees are raised by about 50 per cent of the old scale and the fixed fees on documents are also enhanced to the extent commensurate with their character and importance. The rules for computation of the value of subject matter in suits (such as for possession of land) have been revised so as to bring in more revenue. It is the opinion of the Committee that in Mysore the duty on general stamps and court fees may be raised so as to secure an increase of revenue *on the whole* of about 33⅓rd per cent under the former and 25 per cent under the latter. Suitable adjustments so as to avoid undue hardship in respect of increase in individual items will have to be made on close investigation of the schedule of fees. The Committee anticipates an annual increase of 4 to 4½ lakhs of rupees from this source. Mr. M. C. Ranga Iyengar dissents from the proposed increase in the scale of *ad-valorem* Court fees and is agreeable to the other proposals.

The income from General Stamps can also be augmented by a stricter administration of the Stamp Law.

The Committee agrees also to the enhancement of Registration fees on lines similar to those sanctioned in Madras, the additional revenue from this source being taken at Rs. 50,000.

The aggregate improvement of revenue from enhancement of taxation as above may be estimated at about 5 lakhs of rupees per annum.

202. *Vani Vilasa Sagara.*—The Committee discussed with the Chief Engineer, the Revenue Commissioner and the Director of Agriculture the possibility of improving the net return to Government from the Vani Vilasa Sagara (Marikanave) Project. Mr. Cadambi's Memorandum on the subject, dated 2nd February which is understood to be before Government, was considered.

The position as explained by the Chief Engineer is as follows:—

		Rs.
(i)	Actual Capital outlay on the project to end of 1920-21	.. 49 Lakhs.
(ii)	Net Revenue, yearly average	.. 14,500 or 0·29 per cent.
(iii)	Total gross receipts in 1912-13 when the Block system was introduced.	.. 44,500
	Do in 1920-21	.. 42,600
(iv)	Average of annual working expenses prior to 1912-13	.. 7,000
	Do since ..	.. 29,500
(v)	Before the introduction of the Block System area irrigated was Government realised water rate for nearly 10,000 acres at Rs. 5 per acre.	5,000 acres.
	In 1920-21 area irrigated went upto . ..	.. 8,736 acres.
	Water rate remaining at Rs. 5 per acre, but recoverable on the actual extent of land irrigated under the Block System.	
(vi)	The net available storage is 20,000 units annually, while the total area commanded is about 25,000 acres. .	
(vii)	For the area now actually irrigated under the Block System, more than 80 per cent of the net storage is consumed.	
(viii)	On the present basis the total area under Blocks for which suitable land is stated to be available may be fixed at 12,000 acres annually.	

With a view to realise a larger return from this reservoir, Mr. Cadambi has proposed two alternative schemes. According to the first, the gross receipts will be Rs. 1,44,000 at Rs. 12 for 12,000 acres and working expenses will be cut down to Rs. 18,000, the net yield being about Rs. 1¼ lakhs, *i.e.*, about 2% on the capital outlay.

The alternative proposal is to settle the area under the command of both the channels under the usual survey settlement on certain lines suggested. The revenue under this system will amount to Rs. 1,20,000 and after deducting working expenses of Rs. 18,000, the net annual return will be Rs. 1,02,000.

Both the above schemes were discussed by the Committee with the Revenue Commissioner and the Director of Agriculture. It is understood that the Project was undertaken chiefly as a protective work, that irrigation under the reservoir has been gradually developing, and that the Revenue Department is taking action for increasing the area under cultivation to the extent possible, considering the physical conditions and the population of the locality.

Dr. Coleman explained briefly the result of the experiments that were conducted in the Babbur Farm situated in that area, in regard to growing sugar-cane. Speaking generally he did not think that the land under the Vani Vilasa Sagara was suited for cultivation of sugar-cane or other valuable crops on a large scale, so as to bear a higher assessment. Both the Revenue Commissioner and the Director of Agriculture thought that Mr. Cadambi's proposals required close investigation in the Revenue and Agricultural Departments, before any definite action could be suggested.

In the above circumstances the Committee was unable to formulate definite proposals on the subject for submission to Government. It was, however, thought that suitable measures could be devised for improving the return form this project, if the Revenue, Agriculture, and the Public Works Departments should devote earnest attention to the question in joint collaboration.

203. *Surplus Revenues of the Civil and Military Station.*—The Committee understands that the decision of the Secretary of State for handing over to the Mysore

State the surplus revenue of the Civil and Military Station has been reopened and that the arrears due for some years past have not been paid by the Government of India. It is not clear why an arrangement arrived at after full consideration should be revised and even if circumstances have necessitated the reconsideration of the question, the Committee cannot understand why the realised surpluses of past years should not be paid. It would very strongly urge upon Government the necessity of taking all measures required for getting the amounts which have fallen due. The Committee believes that, according to the existing arrangement, the annual surplus, as calculated in the *pro forma* account of revenue and expenditure relating to the Station, is to be handed over to the State. Revenue and expenditure are both liable to fluctuations and the annual surplus available for transfer would vary with such fluctuations and also with the standard of expenditure permitted from time to time. It is desirable to adopt an arrangement which removes or minimises the uncertain factors as far as possible and also leaves to the authorities responsible for expenditure of funds as much latitude as possible. The payment to the State of a share of the total revenues of the Station appears to the Committee to be a more satisfactory arrangement than the present one and in the event of any reconsideration of the method of calculating the amount payable annually to the State, the Committee suggests the desirability of examining this alternative.

204. *Refund of Contributions made to the Imperial Exchequer by the Mysore State.*—The Committee desires to invite the attention of Government to a matter of the greatest importance to the finances of the State, which does not *strictly* fall within the terms of reference. It is the question of the contributions in various forms, which the State is now making to the Government of India. There is, first, the annual cash payment of Rs. 35 lakhs on account of the subsidy; there are the different items of indirect Imperial taxation like Customs, Salt duty, paid by the people of Mysore, but received by the Government of India. The profits of coinage and interest on the Fiduciary Reserve of the Currency Department form another class of revenue to which indirect contribution is made by the State. The cost of the maintenance of a part of our Military Force, which is intended for Imperial purposes, should also be viewed in the nature of a contribution to the Imperial Exchequer. It appears to the Committee that the payments in various forms, which the State is now making, are heavier than could reasonably be imposed on the people of Mysore and much larger than they can afford to bear. The Committee is aware that this is a difficult problem, the solution of which is complicated by numerous political and financial considerations. In view, however, of its importance, especially with reference to the present financial condition of the State, the Committee considers that it is necessary to investigate the problem and arrange for obtaining, as early as possible, as much relief as is justly due to the State, either in the shape of a remission or reduction of the subsidy, or a refund of indirect taxation.

CHAPTER III.

Forecast of Revenue and Expenditure for the Next Three Years 1923—26.

205. The third term of reference requires the Committee to submit a 'forecast of revenue and expenditure resulting in a balanced budget after providing for the necessary financial reserves such as Famine Reserve and Sinking Fund for loans as well as for replacement and renewals of rolling stock and permanent way of the State Railways.'

206. After a detailed scrutiny of the expenditure side of the budget, the Committee has recommended retrenchments and economies in recurring items to the extent of about Rs. 35½ lakhs and also made proposals for improvement of existing resources under Forest and other heads so as to get an additional income of about Rs. 3½ lakhs annually.

The Committee is further of opinion that, to balance the budget, some additional taxation is inevitable and a recommendation has accordingly been made for enhancing the duty on Stamps, Court Fees and Registration Fees, adopting a slightly lower scale than in Madras, the increased revenue from these new sources being estimated at about 5 lakhs of rupees per annum.

207. In framing the forecast for the next three years, the Committee has calculated the improvement in Land Revenue that can be reasonably expected from the resettlement operations and from the speedy disposal of darkhasts and of Amritmahal Kavla lan !s that can be made available for cultivation and has assumed a normal growth of revenue under other heads, excepting Excise and Mining Revenue.

Under Forest, the revenue anticipated from the supply of fuel to the Iron Works is not taken into account and on the expenditure side the charges to be met out of such revenue are also omitted. The Committee has no information as regards the Iron Scheme yielding any net revenue to Government during the triennium.

As regards Excise, the course of which it is difficult to forecast, the Committee has framed a cautious estimate of a gradual decline of one lakh for each year.

No growth of Mining Revenue over the present level of 13 lakhs is estimated in view of the uncertainties regarding output of the mines and the exchange.

In calculating the net receipts under Railways provision has been made for the programme of renewals and replacements on the basis of the expenditure recommended by the Committee and budgetted for in the current year.

The result of the Committee's examination and its conclusions are exhibited in the attached statement.

Statement showing the present standard of Receipts and Expenditure and the Deficit in the present Revenue Position and the Forecast of the next three years.

(*Revenue in Lakhs.*)

No.	Budget Head	Standard as per Committee's recommendations	Triennial Forecast			Remarks
			23-24	24-25	25-26	
I.	Land Revenue ...	112	a 115	a 118	a 122	(*a*) As per Survey Superintendent's estimate of growth due to expeditious resettlement; disposal of Amrit Mahal Kaval land, etc.
II.	Forest ...	26	b 27	28	29	(*b*) Omitting doubtful revenue from fuel supply to Iron Works. Annual growth of 1 lakh assumed.
III.	Excise	68	c 67	66	65	(*c*) Difficult to forecast, cautious estimate of decline of 1 lakh.
IV.	Income-tax ...	11	d 12	13	14	(*d*) Natural growth of 1 lakh assumed.
V.	Stamps	16	f 20	20	20	(*f*) Enhancement of Stamp Duty by 33⅓ per cent and Court Fees by 25 per cent assumed.
VI.	Registration ...	3	g 4	4	4	(*g*) Increase of ½ a lakh over present level of 3½ lakhs due to enhancement of Registration fees.
VII.	Assigned Tract Revenue.	...	...	...	...	Fluctuating item of revenue which is best used for capital expenditure. Hence omitted in normal revenue account.
VIII.	Mining Revenue	13	h 13	13	13	(*h*) No growth assumed in view of uncertainty *re* out-put and exchange.
IX.	Interest ...	5	k 5	5	5	(*k*) Omitting 2 lakhs being the interest on contributions to the Famine Insurance Fund both on the Receipt and Expenditure side as also interest on S. O. F. Capital and Advances.
XX. to XXIV.	Service Department.	9	i 9	9	9	(*l*) Variations not material.
XXV.	Railways Net ...	9	m 10	11	12	(*m*) Natural growth of 1 lakh assumed. Provision has been made for renewal and replacement programme to be worked out in six years.
XXV. XXVI.	K. R. S. Works Electrical ...	27	n 30	n 33	n 30	(*n*) As per Chief Electrical Engineer's forecast. The drop in the last year is due to the reduction of the rate per H. P. from Rs. 12 to Rs. 10 as per agreement with the Mining Companies.
XXVII.	S. O. Factory ..		p			(*p*) Sandalwood revenue of ten lakhs has been assumed under Forest. No net revenue assumed under this head.
XXVIII.	K. G. F. Water Works		r			(*r*) Net receipts go to form the Depreciation Fund. Hence no estimate of revenue.
XXIX. XXX.	Industrial Works Iron Works	...	s ...	...	...	No information as to what profits the Industrial concerns will yield or whether the working of the Iron Works will result in a gain or loss. Hence no estimates either way.
	Total ...	299	312	320	323	
	Deficit ...	48 t	11	3	Nil	
	t To be wiped out in the following ways:—					
	(i) By further retrenchment in expenditure to be effected ... 24					
	(ii) Increased revenue from enhanced taxation under V. Stamps and VI. Regn. 5					
	(iii) Improvement of Revenue, by 1925-26 19					
	Grand Total ...	347	323	323	323	

(*Expenditure in Lakhs.*) For the years 1921-22 to 1925-26.

1921-22.	Standard based on Budget of 1922-23 is 331 lakhs.	Triennial Forecast 23-24	24-25	25-26	Remarks
Original standard of expenditure based on the budget of 1921-22. Omitting interest on Famine Reserve and expenditure on fuel supply operation and including certain recurring items sanctioned since the budget was framed, was 341 lakhs made up of the following items:—					
As per budget of 1921-1922 .. 317					
Deduct for expenditure on fuel supply operations, etc., and interest on Famine Reserve ... 3					
Add for additional demands—					
(1) Additional Interest and Sinking Fund charges 19					
(2) High Price Allowance for Military, Police and Village School Fund Staff 3					
(3) Famine Reserve not provided for 5	+5 —6u				u Deduct for expenditure in the Forest Department on account of fuel supply to Iron Works, interest on Famine Reserve, the revenue in respect of which has been left out of account on receipt side and Census charges, non-recurring. Total 6 lakhs.
Net .. 341 Expenditure distributed as per details below.	330				
A. *Obligatory Expenditure*					
i. Subsidy .. 35	35	..	..	..	
ii. Interest on loans and other obligations ... 31½	31½	..	..	..	
iii. Palace .. 24½	24½	..	..	..	
iv. Pensions (Civil & Military) ... 12	12	..	..	..	
v. Provision for Sinking Fund, and Famine insurance Reserve 24	24	..	..	..	
Total A ... 127	127	127	y 127	y 127	
B. Expenditure on Service Departments ... 214	(v) 203	x 179	y 179	y 179	(v) Difference of about 11 lakhs due to retrenchments and reductions in the grants of Service Departments, effected in the Budget, 1922-23.
C. Add the demands on account of the following necessary financial reserves:—					(x) Reduction of 24 lakhs in standard demand to be effected by further measures of retrenchment.
(1) A budget surplus of about three lakhs may be kept as a margin for variations in Revenue and Expenditure and for meeting special non-recurring items.	÷ 3				(y) No growth of expenditure is provided for, as funds for necessary items have to be found only by further re-adjustment of existing scale of expenditure till the anticipated improvement of revenue fully materialises.
(2) Royalty is of the nature of a capital receipt and the revenue from it may be set apart as a reserve for Capital Expenditure.	÷ 11				
(3) Irrigation Reserve, to be expended on restoration of major and minor tanks.	÷ 3				
Total additional Reserves (1) (2) (3).	17	17	17	17	
Annual Total Demand A+B+C .. 341	347	323 (h)	323	323	(h) Reduction of 24 lakhs in standard demand to be effected by further measures of retrenchment.

208. The extent of the deficit calculated on the basis of the budget of the year 1921-22 was Rs. 42 lakhs. In view of the retrenchment measures recommended by the Committee, Government have, in framing the current year's budget, already effected a reduction to the extent of about Rs. 11 lakhs.

209. Taking this into account, the budget deficit will stand reduced to about Rs. 31 lakhs. In arriving at the above result, allowance has been made for obligatory demands on account of the Loan Sinking Fund and the Famine Reserve and provision for renewals and replacement of Railway line and stock on the basis of the current year's grant, *viz.*, about Rs. 4 lakhs has been made. Besides these, there are certain reserves which have also to be provided for in the revenue account in order to stabilise the finances.

210. The revenue from Mining Royalty is in the nature of a capital receipt and is obtained by diminution of the assets and the Committee is strongly of opinion, that it should not be utilised for normal administration, but that it should be set apart for financing capital works.

An adequate budget surplus has to be provided for against likely variations in the annual revenues and expenditure, amounting in the aggregate to over Rs. 6 crores and some provision has also to be made for extraordinary items which, though not recurring annually are of periodic occurrence, such as the Viceroy's visit, etc. A margin of Rs. 3 lakhs is allowed for these purposes.

In the interest of the agricultural population of the State, it is absolutely necessary that special attention should be paid to the restoration of major and minor tanks and improvement of irrigation facilities and as the grants to be allotted for these purposes annually in the Public Works Budget would not meet the requirements of the case, the Committee would propose at least a sum of 3 lakhs as a special reserve for irrigation works. Mr. Datta in his scheme of Financial Settlement had recommended a grant of 5 lakhs, which Government accepted.

211. Taking all these demands into consideration the total extent of the deficit will be about Rs. 48 lakhs. The Committee proposes to make up this deficiency by means of further retrenchments to the extent of 24 lakhs, additional taxation under Stamps and Registration to obtain an extra income of 5 lakhs and by improvement of revenue under other heads by 19 lakhs. The last resource is expected to fully materialise by 1925-26, and during the first two years of the triennium, it will not be possible to provide for all the several reserves mentioned in para 210 *supra*.

212. If the recommendations of the Committee are accepted, the budget would be fully balanced within the next three years. It may be noted that in making the above proposals the Committee has not taken into account the surplus revenue of the Civil and Military Station, as it is a fluctuating item, which should not be used for current administration. It may be made available for capital finance, as suggested by the Committee in para 224 *infra*.

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CHAPTER IV.

Capital Works Programme.

213. The next term of reference to the Committee is the preparation of a 'forecast of capital demands under all heads for the next three years with reference to the resources (including loans) that may be counted upon.'

I. Capital Demands for 1922-23.

214. The several officers responsible for the outlay on capital works having been examined, the Committee first reviewed in detail the capital programme for the year 1922-23. The minimum requirements of the Departments amounted to Rs. 122½ lakhs :—

	Lakhs.
(*i.*) Cauvery Power Works	25
(*ii.*) Krishnarajasagara Works	10
(*iii.*) Kolar Gold Fields Water-Supply Project and Bhadra Anicut and Channels	2
(*iv.*) Railways	27½
Total (*i*) to (*iv*) ..	64½
(*v.*) Bhadravati Iron Works—	
Capital Outlay .. 25	58
Working Capital 33	
Total (*i*) to (*v*) ..	122½

215. The capital works grant for the year 1921-22 was fixed at 108 lakhs and for financing them a public loan was raised in the early part of that year. The budget of that year was framed on the anticipation of raising one crore of rupees by means of the loan. The loan was successful and an additional 125 lakhs (of which 103 lakhs represented new money) was obtained with a view to provide for the capital outlay of the next few years and avoid further borrowing.

The capital budget of the last year has been far exceeded and if the demands for 1922-23 should be fully met as required by the departments, another public loan is inevitable. This means that the deficit condition of the Revenue Budget will be aggravated, as it will have to provide for additional interest and sinking fund charges. In these circumstances the Committee strongly deprecates further borrowing and is of opinion that every possible effort should be made to limit the capital expenditure for the current year to the amount of surplus cash available in the Treasury, *viz.*, about half a crore of rupees.

Taking the capital works seriatim, the Committee offers the following remarks and observations :—

Electrical Works.

216. Mr. Forbes presented a programme of an outlay of Rs. 44 lakhs in 1922-23. For carrying on this programme he required a cash grant of about 25 lakhs, the rest being met by utilization of stock on hand. The following are the main items of demand :—

	Lakhs of Rs.
Sixth Installation (further progress)	22·67
Bangalore Interior Power Lighting	1·10
Reconstructing Bangalore Transmission Line	10
Mysore Interior Power Lighting	1
Reconstructing Mysore Power and Line Distribution, etc...	6
Krishnarajasagara Power Works	2
Total ..	42·77
Minor items	1·23
Total ..	44

The Committee recommends a grant of not more than Rs. 25 lakhs as the works proposed to be undertaken are of an immediately remunerative character. Even this demand is considered to be capable of reduction on closer scrutiny.

Krishnarajasagara Works.

217. The Chief Engineer wanted 10 lakhs of rupees as part of the grant required to complete the Dam in four years according to the programme recommended by the Krishnarajasagara Committee. A sum not exceeding 10 lakhs is recommended.

Railways.

218. The grant asked for railway capital expenditure was Rs. 27½ lakhs, 17½ lakhs for railways worked by the State and 10 lakhs for expenditure by the Madras and Southern Mahratta Railway Company.

The important works, for which provision is required, are those involving both capital and revenue expenditure, *i.e.*, for renewal of the Bangalore-Mysore line by putting in heavier rails (the work to be finished in three years at the rate of 30 miles a year) and replacement of rolling stock. Both Messrs. Dove Wilson and Dani urged that, in view of the impaired condition of our lines and stock, there was urgent necessity for immediately undertaking the renewal programme. While recognizing the need for placing our railway property on a satisfactory basis, the Committee considers that the strain on both the capital and revenue budgets should be relaxed by taking up the replacement work in easier instalments and spreading it over six years instead of three as proposed by the department. As regards the other works for which allotments were wanted by the Agent and the Railway Secretary, the Committee scrutinised the demands in detail and cut them down wherever possible. In the result,out of the grant of 17½ lakhs asked for, a sum not exceeding 15 lakhs is recommended.

In respect of the grant of ten lakhs required by the M. & S. M. Company, the Committee thinks that it would not be possible to allot more than 5 lakhs.

Iron Works.

219. Now coming to Iron Works, the Committee understands that the prospects of this concern proving remunerative are very doubtful and it was seriously considered whether the works should be pushed on to completion in the present straitened circumstances. If the works are to be proceeded with rapidly to completion and without material alteration in the present programme, another public loan would be absolutely necessary. The crux of the present situation is the huge expenditure on big development schemes, notably this Project, necessitating the depletion of accumulated reserves and the contraction of large loans, imposing a heavy burden in the shape of interest and sinking fund charges, which the finances could ill afford to bear. Nor can it be said that the arrangements for carrying out the Iron Scheme are conducive to economical arrangement. The Committee has come to the conclusion that, by suspending the works for some years, this undesirable contingency would be obviated and the burden on the Treasury relieved. The Committee accordingly recommends that immediate orders may be issued to stop further expenditure and incurring of fresh obligations in respect of these works. The amount which the Treasury can then afford to spare from 1st July 1922 will about just suffice to meet all the other capital demands amounting to about half a crore of rupees without recourse to fresh borrowing. The Committee's view is strongly supported by the absolutely unanimous opinion of the non-official witnesses examined.

II. Capital Outlay for the Triennium 1923-26.

220. The capital demands for the next three years as well as the resources for meeting them were next discussed by the Committee. From the information available to the Committee, it was found that the demands of the Capital Departments during the next three years would amount to a crore and a half of rupees as per particulars given below :—

Rs. in Lakhs.

	1923-24	1924-25	1925-26	Total
Railways	20	20	20	60
Krishnarajasagara Works	13	10	10	33
Bhadra Anicut and other works ..	2	2	2	6
Cauvery Power Scheme	31	15	5	51
Total ..	66	47	37	150

221. The demand of the Railway Department for the next three years is based on the present level of expenditure including provision for renewal and replacement. The annual grant of 20 lakhs includes expenditure by the M. & S. M. Railway Company.

222. For the Krishnarajasagara Works, a grant of 40 lakhs was recommended by the Krishnarajasagara Committee for completing the dam. As a sum of about 7 lakhs is expected to be spent in the current year, the balance of 33 lakhs is to be provided for in the next three years. Besides this, there is the High Level Canal Project expected to cost about 2 crores of rupees, the construction of which has also been recommended by that Committee in order that full use may be made of the storage in this large reservoir.

The recommendations of that Committee relative to this subject are:—

(1) That the Krishnarajasagara Reservoir and the Cauvery Power Scheme be treated as one combined undertaking;

(2) That, in view of the remunerative nature of the undertaking, the immense benefit to the raiyats and the general economic development of the State, resulting from the extension of irrigation in the tracts badly in need of it, the construction of the High Level Canal should be taken up as early as possible;

(3) That this project be financed by utilising for the purpose the surplus revenue of the combined scheme, left after deducting the interest charges on the capital invested; and

(4) That the resources may as far as possible be supplemented by grants from general revenues so as to ensure satisfactory progress of the canal work and quick return therefrom.

These proposals are eminently suitable; but until the revenue position is brought to equilibrium, and the capital works on hand are brought to completion, the Special Committee fears that it would not be practical finance to earmark any portion of the net revenue from the Cauvery Power Scheme and the Krishnarajasagara Works for taking up the High Level Canal, nor can funds from general revenues be provided for the purpose within the next few years. This most beneficent project should, however, be treated as the first item of *new works* in the capital programme and should be undertaken as soon as Government will be able to finance it to completion.

223. The capital requirements of the Electrical Department for the three years 1923-24, 1924-25 and 1925-26 are Rs. 31, 15 and 5 lakhs respectively for the following works:—

(1) Reconstructing Bangalore and Mysore Transmission lines and distribution systems.

(2) Completing VI Installation at Sivasamudram.

(3) Extensions of Interior Power and Lighting, Additional buildings, etc.

224. Against all the above capital demands the following are the resources available:—

		Rs. in lakhs.
11 lakhs of rupees per annum being the credit balances under unfunded debt, *i.e.*, Savings Banks Deposits, Life Insurance Fund, etc. ...	*i.e.* 11 × 3	33
5 lakhs from the Cauvery Power Scheme and other depreciation funds...	5 × 3	15
2 lakhs as interest on the accumulated Mining Revenue Capitalisation Fund	2 × 3	6
Mining Revenue Capitalisation Fund Annual contributions in 1924-25 ... .. 8 lakhs. 1925-26 ... .. 11 „		19
Total of Deposit and Reserve balances ...		73

To this sum of Rs. 73 lakhs may be added the receipts from the surplus revenue of Civil and Military Station estimated at about Rs. 5 lakhs per annum, *viz.*, 5×3= 15 and the amount expected to be released from the annual provision for the Rupee Loan Sinking Fund when the Sterling Loan Sinking Fund is replaced at the disposal of the Mysore Government, *i.e.*, about 11 lakhs of rupees per annum or 33 lakhs for three years as proposed in para 233 *infra*. So, the total of all these resources will amount to Rs. (73+15+33 or) 120 lakhs, *i.e.*, roughly Rs. 40 lakhs per annum.

225. The Committee cannot advise the utilisation, even temporarily, of either the Rupee Loan Sinking Fund or the Famine Reserve for Capital finance. And as the amount of the liquid reserve which is about Rs. 160 lakhs (taking into account certain fixed deposits also) has to be maintained without diminution against the already accumulated Famine and Sinking Fund Reserves and a due proportion of Savings Bank liabilities, etc., no portion of the surplus investments will be available for financing the capital works.

226 In calculating the resources available for meeting the capital demands the Committee has not relied on the adventitious revenue anticipated from the sale of lands now included in the Amrit Mahal Kavals and the Kunigal Stud Farm, but proposed to be set free for agricultural purposes according to the Committee's recommendations on these subjects. The amounts to be thus realised would go to make up any deficiencies in the resources above calculated for financing the capital programme.

227. The Committee accordingly recommends that the capital demands during the next triennium should be restricted to Rs. 120 lakhs, the grants being distributed among the several departments somewhat on the following lines:—

	Rs. in lakhs.
Railways—Rs. 15 lakhs each year, *i.e.*, 3×15	45
Krishnarajasagara Works—Rs. 6⅔ for each year, *i.e.*, 3×6⅔ ...	20
For the Cauvery Power Scheme the full provision demanded by the department may be given, as the big works on hand are all expected to be completed within the period and the return from the Scheme will be improved	51
Bhadra Project and other works	4
Total ...	120

228. The Committee cannot too strongly emphasise the view that the capital programme for the next three years should be kept well within this limit and that the outlay should be strictly restricted to the resources that could be counted upon without having recourse to public borrowing. If for any reason there should be any diminution in the expected resources, the capital works grant should be *protanto* reduced. It is most inadvisable to embark on a borrowing policy during the next few years, as the liability to provide in the revenue account any further amount for meeting the interest and the sinking fund charges of such loan will seriously dislocate the contemplated arrangements for restoring the finances to order.

CHAPTER V.

Public Debt and Investments.

229. The fifth and last term of reference requires the Committee 'to examine the past policy in regard to Public Debt, Investments and Ways and Means operations, including the utilisation of Reserve and Depreciation Funds, and to suggest changes if considered necessary.'

230. Two statements are appended to this report (*vide* Appendicies III and IV) to show the course of the State's finances and the assets and liabilities during the period 1916-17 to 1921-22.

231. Till the year 1917-18 the position was one of large annual surpluses and it was possible for Government to invest such surpluses and extra cash balances in Government of India and other securities bearing interest, so long as the annual capital programme of the State permitted of such a course. According to the Comptroller's books the value of the securities in the surplus investment account as on the 30th June 1917 was the highest on record, being about Rs. 284 lakhs. The net assets of the State at the time were about Rs. 6½ crores. The bulk of the investment in securities was, however, in the form of 3½ per cent paper, which by that time had largely depreciated in value.

With a view to finance the large and continuous programme of capital works undertaken at the time, Government on the advice of the Special Finance Officer, Mr. K. L. Datta, decided in 1917 to sell off a large portion of the securities keeping a liquid reserve, sufficient to realise only Rs. 100 lakhs, which represented the amount that had to be maintained against the Famine Reserve and other liabilities. The scheme of financial settlement devised by him and accepted by Government aimed at an orderly progress of development both under Revenue and Capital expenditure and provided for all necessary financial reserves.

Commencing from the year 1918-19, unfortunately, there came a change for the worse in the general position of the State's finances as a resultant of various factors. The scheme of settlement was not adhered to. The expenditure of the Service Departments was permitted to exceed largely the available revenue resources, the contributions to the reserves were wholly or partially suspended, the liquid reserve got depleted, and the financing of the capital works as well as the budget deficits rendered heavy borrowings necessary, to save the treasury from imminent danger. Some of the 'productive' works, for the construction of which large sums were spent, have not yielded the expected return, with the result that the service charges of the loans have fallen as a dead-weight on the annual budget. The net assets of the State have also continually declined by about ¾ crore. This is not all. The market value of the holdings in gilt-edged securities in the liquid reserve had at one time (1st May 1921) gone down to so low a level as Rs. 55½ lakhs, and even this holding had been pledged to obtain short-term accommodation.

232. The Committee's attention has been drawn to the Financial Review and Forecast published by Government in the Finance Department in September 1919, in which the deficit condition of the State's finances was first prominently brought to public notice and the urgent need for retrenchment of unnecessary expenditure and improvement of resources was emphasised. But no effective action towards improving the revenue position was taken until the preparation of the budget for 1921-22. The financial position cannot be considered as really sound unless both the Revenue and Capital budgets are brought under control, and until an adequate reserve of liquid securities is also maintained intact. The Committee's proposals aim at securing this combined result. In the Revenue and Expenditure Forecast, provision has been made not only for the Famine Reserve and Loan Sinking Fund, but also for ear-marking for capital purposes the Mining Receipts and the Surplus Revenue of the Civil and Military Station.

In view of the restricted scope of the State to borrow in the open market and raise funds at a pinch, and in view of the obligations in respect of the Rupee Loans contracted by Government, it has been considered necessary that the full amount of the accumulated Famine and Loan Sinking Funds and the future contributions to them as well as an adequate proportion of the liabilities at call should be maintained in easily marketable securities. They should not be made use of for Capital expenditure. even temporarily. There can be no objection to the Mining Capitalisation Fund and the Depreciation Funds for Cauvery Power Scheme and other works being utilised for financing really productive capital works. And under present conditions the normal annual capital demands should be kept well within the several resources that can be counted upon without resort to public borrowing. The Forecast of the Capital Programme for the next three years is framed by the Committee on this basis.

233. The Committee considers that a substantial relief to the Revenue Budget is immediately necessary in the matter of providing the Sinking Fund for the Rupee Loans and this could be obtained by leaning on the State's Sterling Loan Sinking Fund. The permanent debt of the State now aggregates Rs. 537 lakhs, of which Rs. 180 lakhs represents the value in Indian currency (taking exchange at 1s. 4d. the rupee) of the 4 per cent sterling loan of £1,200,000 contracted in 1886 through the Secretary of State and the rest is the total of the terminable Rupee Loans recently floated in India. The sterling loan is not repayable before 1936, but is redeemable in that year or thereafter at the option of the Government. It was no part of the conditions of that loan to provide for a sinking fund for its discharge. On the advice of the Government of India and as a matter of prudence Sir K. Sheshadri Iyer arranged to put by in 1899 a sum of Rs. 50·41 lakhs in Government of India Pro-notes, so that the amount accumulated at compound interest at 3½ per cent may be available in 1936 towards the redemption of this loan. The Fund that is thus being built up is in the custody of the Government of India, the Dewan of Mysore and the Hon'ble the British Resident being its trustees.

The Rupee Loans carry a higher rate of interest and are terminable, the 7 per cent loan falling due in 1931. These loans have entailed a heavy obligation on the State to provide a sinking fund for their discharge on the due dates and the annual demand on this account is Rs. 18·78 lakhs or 19 lakhs in round figures. As it is impossible to provide in the annual budgets for this full demand, the Committee is of opinion that urgent action should be taken for obtaining permission to utilise the Sterling Loan Sinking Fund towards the redemption of the terminable 7 per cent Rupee Loan and for relieving the Revenue Budget to the corresponding extent. The Committee understands that the matter is under correspondence with the Government of India and if, as is hoped, the reasonable request of the Government is granted, it would be possible to continue the measures of public utility which Government are committed to. The Committee has accordingly taken this factor into calculation in determining the available resources for financing the capital programme during the next three years.

234. There is another important matter in which a change is urgently called for, *i.e.*, in the method of investment of the reserve balances. So long as the amount of the liquid reserve was much in excess of the minimum required to be kept against the State's call liabilities, and Government had not contracted obligations for repayment of heavy terminable loans, the question as to what classes of securities would be most suitable for the investment of the several reserves was not of as much pressing importance as at present.

The terminable Rupee Loans now exceed 3½ crores and the annual contribution to the Sinking Fund is calculated on the basis of the balances earning compound interest at 6 per cent per annum up to date of redemption of the loans. This fund has accordingly to be invested in such gilt-edged securities as will yield the maximum return and mature by the time the loans fall due for repayment. The Mysore Government sucurities may also be purchased out of the fund whenever they can be had at a suitable price.

The whole of the Famine Reserve should obviously be in a form capable of ready realisation. The amount to the credit of the Fund should also be held in the best

liquid securities, *i.e.*, those for which there is always a ready demand in the widest market.

The Committee would accordingly recommend that the investment account of the said two funds should be kept separate from the rest of the surplus investments, which include the reserves to be maintained against all other liabilities, such as Savings Bank Deposits, State Life Insurance Fund, Local Fund Balances, etc., and that suitable action in this direction may be taken at an early date. In the Forecast of Revenue and Expenditure, interest accruing on the Famine Reserve and Sinking Fund balances has accordingly been omitted on both sides of the account.

CHAPTER VI.

Conclusion.

235. We desire to conclude this report with a recapitulation of our main recommendations and suggestions on the matters referred to us and in so doing, to bring prominently to the notice of Government the necessity of adopting certain checks and safeguards to prevent a recurrence of the present financial situation.

(1) *Expenditure.*—Retrenchment of overgrown establishments and cutting down of avoidable expenditure in all service departments should be regarded as a measure of vital necessity and should occupy the first place in the scheme of financial reform.

Government have already made a reduction of about Rs. 11 lakhs in the current year's revenue budget. Further retrenchments to the extent indicated by the Committee, *viz.*, Rs. 24 lakhs should be effected as soon as possible, with a view to bring down the service expenditure within the revenue resources. (Para 211.)

Immediate effect should be given to the proposals which are accepted. In the case of those not accepted, alternative proposals in other directions may be examined.

Expenditure should be reduced in the higher grades of service as vacancies occur.

Government have spent large sums of money in the construction or purchase of buildings in the Cities of Bangalore and Mysore. Nevertheless, heavy rent charges are being incurred in accommodating public offices in private buildings. These charges could be considerably reduced, if not avoided altogether, by suitable re-adjustment of available accommodation.

(2) *Simplification of Office Work.*—A revision of the methods of work in Public Offices and Courts is called for not only in the interests of economy, but also to reduce correspondence, returns and accounts, to expedite the disposal of public business and generally improve efficiency of services. Intermediary agencies should be abolished and there should be greater decentralisation and delegation of authority and distribution of work. (Para 33.)

In this connection, the Committee would observe that the Kannada language should be used as the official language in correspondence in all offices below the highest, including Civil and Criminal Courts.

(3) *Principal Heads of Revenue.*—Land revenue re-settlement and disposal of darkhasts for land should be expedited as much as possible. A Special Officer may be deputed to see to the quick and effective disposal of the large area of lands to be released from Amrut Mahal kavals and by the abolition of the Kunigal Stud Farm. (Para 134.)

The revenue under the Vani Vilasa Sagara is insignificant, even for a protective work, considering the very large outlay incurred on it. Steps should be taken to obtain a reasonable return from the project by stimulating the growth of valuable crops and bringing under cultivation all the lands served by the channels. (Para 202.)

The Forest revenue is capable of improvement by more vigorous exploitation of timber in the Heggaddevankote and the Ghaut Forests. The arrangements for marketing sandal oil are susceptible of improvement, leading to a larger consumption of the sandalwood that can be annually supplied by the Forest Department.

Too much dependence should not be placed on the stability of Excise Revenue and the probability of a gradual decline should not be lost sight of in determining the normal level of expenditure of the State.

The Income-tax needs further developing by tapping the existing resources, particularly in the mofussil. The administration of this tax may be improved by the department being placed under the Revenue Commissioner. (Para 168 (*c.*)

(4) *Additional Taxation.*—With a view to fully cover the existing deficit, we have suggested an enhancement in the scale of Stamp and Registration Fees. (Para 201.)

(5) *Productive Works, Railways.*—The return from the Railways is comparatively low, being about 3 per cent on a capital expenditure of over 5 crores of rupees. The line and stock require heavy renewals necessitating a large expenditure in the near future. The working expenses are heavy. (Para 109.) We would recommend the constitution of a non-official Committee to work in conjunction with the Railway management to improve the service of the railways.

(6) *Iron Works.*—In view of the doubtful paying character of the Bhadravati Iron Works and the difficulty of financing them to completion, we recommend the temporary suspension of the construction work for some time. If they are to be pushed on to completion and the operation stage is to be begun, Government will have to take care that the result of the working does not materially disturb the revenue position of the Budget. We have not assumed any net revenue from this Project in our Forecast, nor have we provided for any loss on the working of this concern.. (Paras 207 and 219.)

(7) *Surplus Revenue of the Civil and Military Station.*—In view of the crippled state of the finances, a strong representation should be made to the Government of India for the early return of the arrears of the surplus of the Civil and Military Station now withheld by them and for a just and equitable decision in regard to the transfer of surpluses of future years. (Para 203.)

(8) *State's Contributions to the Imperial Exchequer.*—We have pointed out the necessity for getting a reduction in the contributions of various kinds, direct and indirect, now made by the people of Mysore to the Exchequer of the Government of India. (Para 204.)

(9) *Capital Outlay.*—We recommend that the capital expenditure of the State during the next three years should not exceed about Rs. 40 lakhs a year. This amount should of course come out of the available resources as forecasted by us. (Para 227.)

No public loan should be raised for some years to come. This is a *sine qua non* for the amelioration of the financial position. (Para 228.)

(10) *Loans and Advances.*—A large sum of money (Rs. 12½ lakhs) is outstanding under "Loans and Advances," granted to Societies and Notabilities and for industrial and commercial purposes; we consider that further advances should be restricted as far as possible. The loan accounts of certain encumbered Jahgirdars are in a very unsatisfactory condition; and very early action is required to be taken for recovering the overdue loans and for improving the management of the estates mortgaged to Government.

(11) *Famine Reserve and Loan Sinking Fund.*—The accumulated balances of and the annual contributions to the Famine Reserve and the Loan Sinking Funds should be invested in the best gilt-edged securities of short-term maturity and the securities should be kept separately ear-marked and distinct from the rest of the liquid reserve to be maintained by Government against liabilities at call. (Para 234.)

(12) *Mysore Government Securities.*—It is essential that the Mysore Government Securities should be made negotiable throughout British India by their inclusion in the list to securities in which the Imperial Bank of India is authorised to deal under the Imperial Bank of India Act. This will have the effect of improving the credit of the State in financial circles outside Mysore and will greatly benefit the trade and commerce of the State, as well as banking institutions and bond-holders.

(13) *Railway Sterling Loan Sinking Fund.*—We consider that, with a view to relieve the present strain, the Government should have power to utilise the Railway Sterling Loan Sinking Fund, now in the custody of the Government of India, towards the redemption of the 7 per cent Rupee Loan maturing in 1931, and we accordingly recommend that every endeavour should be made for having the said fund replaced at the disposal of the Durbar. (Para 233.)

(14) *Safe-guards for Financial Stability.*—To secure financial stability and an orderly progress in service expenditure, commensurate with the growth of normal

revenues, we consider it essential that the income from fluctuating sources and receipts of a capital nature should not be mixed up in the general revenue account and utilised for current administration.

(15) *Predominance of Financial Considerations.*—We would take the liberty of impressing upon Government the necessity for attaching the greatest importance to the financial aspect of every question involving large expenditure of public funds and for recognising that financial considerations should prevail over those of a merely administrative character, more especially as the finances of the State require careful nursing for a number of years to be restored to a sound condition.

(16) *Annual Budget.*—We recommend (the two official members offering no opinion) that the annual budget be subjected to the vote of the Representative Assembly and the Legislative Council, that no public loan be raised without the concurrence of both the houses, and that no new works of magnitude, no new department or activity involving heavy cost, be undertaken before the subjects are fully discussed by them.

236. We wish to offer our best thanks to the several officers of Government, the Law Associations of Bangalore, Mysore and Shimoga, and the non-official gentlemen who responded to our invitation and helped us with valuable suggestions and advice in the task entrusted to us. The ready and willing co-operation of Government Departments and of Officers with whom we had the benefit of personal discussion has considerably lightened our labours.

237. Our cordial acknowledgments are due to Mr. D. B. Ramachandra Mudaliar, Superintendent, Government Printing, and his staff for the prompt and businesslike manner in which the printing work of the Committee was attended to in the Government Press.

238. The Chairman and non-official members of the Committee wish to acknowledge with grateful thanks the invaluable assistance rendered by the official members, especially the whole-hearted co-operation and helpful suggestions of Mr. M. N. Krishna Rao and his lucid exposition of the financial aspect of the questions discussed by the Committee.

239. The Committee desires to place on record its high appreciation of the tact, ability and industry displayed by the Secretary Mr. B. Srinivasiengar, who gave valuable help at every stage, in collecting and preparing materials for the examination of witnesses, in drafting reports and resolutions and in preparing the final report for the Press. His intimate knowledge of budget details and financial questions was very helpful to the Committee and greatly facilitated its work.

We have the honor to remain,

Sir,

Your most obedient servants,

K. P. PUTTANNA CHETTY,
Chairman.

M. C. RANGAIENGAR,
S. R. BALAKRISHNA RAO,
H. CHENNAIYA,
MAHOMED ABBAS KHAN,
C. S. BALASUNDARAM IYER,
M. N. KRISHNA RAO,
Members.

BANGALORE,
31st July 1922.

APPENDICES TO THE FINAL REPORT OF THE SPECIAL FINANCE COMMITTEE.

APPENDIX I.

G. O. No. 4899-4958—C. B. 171-21-1, DATED 3RD FEBRUARY 1922.
APPOINTING THE SPECIAL FINANCE COMMITTEE.

(*Vide* Page 1—Para—1.)

READ—

Proceedings of the Ninth Meeting of the Finance Committee held on the 19th November 1921.

ORDER NO. 4899-4958—C. B. 171-21-1, DATED 3RD FEBRUARY 1922.

The budget estimates of receipts and expenditure of the State for the current year show a small surplus of Rs. 64,000 in the revenue account, but according to the latest available information the year is expected to close with a heavy deficit owing to the receipts under some revenue heads falling short of expectations and to certain unavoidable items of revenue expenditure in excess of budget provision. The position is not likely to improve during the next and succeeding years and the need has arisen for adopting urgent measures for the improvement of the budget position and the avoidance of deficit.

The Government have recently effected material reductions under establishment charges in certain departments and the proposals for retrenchment of expenditure made by non-official members of the Finance Committee appointed under Government Order No. Fl. C. 1-50, dated the 8th October 1919, have also been duly examined and given effect to wherever found possible.

The measures already adopted are, however, not adequate to secure the end in view, and when the general budget position was considered by the Finance Committee at its last meeting, Rajasabhabhushana Dewan Bahadur K. P. Puttanna Chetty, C.I.E., suggested the appointment of a Commission consisting of one or two officials and five or six non-officials with a Member of Council as Chairman, with definite instructions to investigate the working of each department, sitting from day to day, and suggest measures for improvement of revenue and reduction of expenditure so as to restore financial equilibrium. Although the Committee did not arrive at any unanimous conclusion in regard to the constitution and scope of such a Commission, the general sense of the non-official members was in favour of instituting an independant and close enquiry into the financial position of the State by a competent body specially appointed for the purpose.

The Government recognise that the Finance Committee as at present constituted and with the limitations under which it has to work cannot be expected to undertake the detailed and continuous investigation of the finances which the present situation demands. At the same time they are of opinion that such investigation should be undertaken in close association with responsible non-official leaders of public opinion.

They are accordingly pleased to appoint a Special Committee for scrutinising the financial position of the State, constituted as follows:—

CHAIRMAN.

Rajasabhabhushana Dewan Bahadur K. P. Puttanna Chetty, C.I.E., Retired Member of Council, Bangalore.

OFFICIAL MEMBERS.

(i) Mr. C. S. Balasundaram Iyer, B.A., Inspector-General of Education in Mysore.
(ii) Mr. M. N. Krishna Rao, B.A., Financial Secretary to Government.

NON-OFFICIAL MEMBERS.

(i) Rao Bahadur M. C. Ranga Iyengar, B.A., Member of the Legislative Council, Mysore.
(ii) Rao Saheb H. Chennaiya, Member of the Legislative Council, Bangalore.
(iii) Mr. Mahomed Abbas Khan, Member of the Representative Assembly and the Legislative Council, Bangalore.
(iv) Mr. S. R. Balakrishna Rao, B.A., LL.B., Advocate, Shimoga.

SECRETARY.

Mr. B. Srinivasa Iyengar, B.A., B.L., Senior Assistant Commissioner.

The work of the Special Committee will be mainly as follows:—

(*a*) Reviewing the State's finances for the past five years with a view to ascertain the causes of the deficit in the revenue position;

(*b*) Formulating proposals for wiping out the deficit and restoring financial equilibrium;

(i) by retrenchment and economy of expenditure without impairing the efficiency of essential services, and

(ii) by improvement of revenue and resources, including enhanced additional taxation, if found unavoidable;

(*c*) Preparing a forecast of revenue and expenditure for the next three years so as to result in a balanced budget after providing for the necessary financial reserves, such as, Famine Reserve and Sinking Funds for loans, as well as for renewals and replacements of the State Railways;

(*d*) Preparing a forecast of capital demands under all heads for the next three years with reference to the resources (including loans) that may be counted upon;

(*e*) Examining past policy in regard to Public Debt Investments and Ways and Means operations including the utilisation of Reserve and Depreciation Funds, and suggesting changes if considered necessary.

The Special Committee will be authorised to summon and examine Heads of Departments, Secretaries to Government and officers of the lower rank and will be entitled to be promptly furnished with all necessary information as to the working of every department of the administration and the finances of the State in general. The Committee may also in special cases summon and examine non-official witnesses who may be considered to be competent to give useful and constructive

suggestions in regard to particular subjects. It will be competent to the Committee to make recommendations as to all matters affecting public expenditure and revenue.

The sittings of the Committee will be held at Bangalore and will not be open to the public.

The Committee is requested to commence its work forthwith, sit from day to day and submit its final report to Government as early as practicable. The Government specially desire that an *ad interim* report containing recommendations relative to the budget of the next official year may, if possible, be sent up by the beginning of April next.

K. MATTHAN,
Chief Secretary to Government.

To—The Secretary, Finance Committee.
The Heads of Departments.
The Financial Secretary to Government.
The other Secretaries to Government.
The Deputy Commissioners of Districts.
The Chairman and Members of the Special Committee.
Mr. B. Srinivasa Iyengar, Senior Assistant Commissioner.

APPENDIX II.

(Referred to in Para 4—Page 2 of the Final Report.)

List of Witnesses, Official and Non-official, who appeared before the Committee.

(A) Officers.

1. Mr. S. G. Forbes, Chief Electrical Engineer.
2. Mr. S. Cadambi, Chief Engineer.
3. Dr. W. F. Smeeth, officer in charge of ore and flux operations, Iron Works.
4. Mr. K. R. Srinivasa Iyengar, Revenue Commissioner.
5. Mr. C. Dove Wilson, Railway Secretary.
6. Mr. D. G. Dani, Agent, Mysore Railways.
7. Mr. T. Lakshminarasimha Rau, Auditor, Mysore Railways.
8. Sir Alfred Chatterton, Director of Sandalwood Oil Factories.
9. Mr. P. G. D'Souza, Director of Industries and Commerce with
   Mr. S. G. Sastry
   Mr. B. G. Appadorai Mudaliar
   Mr. P. V. Reddy
   } Officers in charge of Soap Factory, Central Industrial Workshop and Weaving Factory, respectively.
10. Mr. K. Chandy, Excise Commissioner.
11. Mr. B. V. Ramaiengar, Conservator of Forests.
12. Mr. A. Subramanya Iyer, Inspector-General of Police.
13. Mr. B. Jayaram, Director of Geology.
14. Mr. D. B. Ramachandra Mudaliar, Superintendent, Government Printing and Stationery.
15. Mr. C. S. Balasundaram Iyer, Inspector-General of Education.
16. Dr. H. B. Mylvaganam, Senior Surgeon.
17. Mr. K. R. Krishnaswamy Iyengar, Account-Assistant to Chief Commandant.
18. Mr. C. Venkata Rao, Superintendent, Amrut Mahal Department.
19. Mr. R. Ranga Rao, Registrar of Co-operative Societies.
20. Mr. K. Matthan, Chief Secretary to Government.
21. Mr. G. Aravamudu Iyengar, Deputy Commissioner, Shimoga.
22. Lt.-Col. Sardar Bahadur B. Chamaraj Urs, Chief Commandant.
23. Mr. P. Sampath Iyengar, Professor of Geology, Central College.
24. Dr. Brajendra Nath Seal, Vice Chancellor, Mysore University.
25. Mr. D. K. Darasha, Superintendent, Revenue Survey.
26. Mr. Rama Rao, Superintendent of Sericulture.
27. Mr. Krumbiegal, Superintendent, Government Gardens.
28. Mr. Y. Narasingha Rao, Superintendent, Sandal Oil Factory.
29. Dr. Leslie Coleman, Director of Agriculture.
30. Mr. Davison, Live Stock Expert.
31. Mr. Ramble, Superintendent, Government Stables.

(B) Non-officials.

1. Mr. D. Venkatesaiya, Advocate, Kolar.
2. „ N. S. Nanjundiah, Pleader, Hassan.
3. „ M. Anantha Setty, Advocate, Chitaldrug.
4. „ H. G. Basavappa, Legislative Council Member, Shimoga.
5. „ B. Garudachar, Advocate, Shimoga.
6. „ B. Narasinga Rao, Pleader, Seringapatam, Representative of Bar Association, Mysore.
7. „ Karnick Krishnamurthi Rao, Land Holder, Bangalore.
8. „ A. Mrityunjaya Iyer, Retired Under Secretary, Muzrai Department.

9 Mr. C. Subba Rao, Advocate, Shimoga.
10. „ S. Venkatesaiya, Advocate, Hassan.
11. „ M. Venkatakrishnaiya, Retired Head Master, Marimallappa's School, Mysore.
12. „ K. Rangingar, Advocate, Tumkur.
13. „ B. K. Garudachar, President of the Chamber of Commerce and Proprietor, City Mart, Bangalore.
14. „ T. Narasinga Rao, Coffee Planter, Chikmagalur.
15. „ Oosman Khan, Cloth Merchant, Vice President, District Board, Bangalore.
16. „ V. Manickavelu Mudaliar, Managing Director, Mysore Industrial Bank, Industrialist Bangalore.
17. „ B. V. Ramaswamy Chetty, Advocate, Bangalore.
18. „ Hoskoppa Krishna Rao, President, Malnad Land-Holders' Association, Hoskoppa.
19. „ S. Seetharamaiya, Advocate, Representative of the Bar Association, Shimoga.
20. „ C. Krishnamurthi, Advocate, President, Law Association, Bangalore.
21. „ Nanje Gowda, Landholder, Representative Assembly Member Kantarajpur, Channarayapatna Taluk.

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APPENDIX III.

(*Vide* Page 77, Para 230).

STATEMENT SHOWING THE STATE FINANCES FOR THE PERIOD 1916-17 TO 1921-22 (REVISED).

(In thousands, 000 omitted.)

Details	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22 (Revised)
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
*1. Surplus	24,07	1,79	19	15	..	..
2. Reserve Funds	34,54	35,35	25,69	6,76	693	805
3. Departmental balances	..	26,37	..	4,37	..	..
4. Investments in securities realised ..	..	54,15	60,06	20,60	37,48	..
5. Deposits, loans, etc., receipts ..	6,98	..	7,92	48,98	..	..
6. Permanent Debt.	..	..	..	..	1,28,57	2,03,63
Total ..	65,59	1,17,66	93,86	80,86	1,72,98	2,11,68
*1. Deficit	..	..	..	..	14,73	16,41
2. Capital outlay on productive works ..	48,99	40,81	42,67	77,23	1,18,92	1,54,84
3. Extraordinary expenditure ..	15,49	..	51,81	4,11	443	..
4. Investments in securities made ..	16,99	..	..	..	..	60,35
5. Departmental balances ..	..	..	17,42	..	35	..
6. Deposits, loans, etc., Payments ..	..	6,57	..	..	29,20	10,12
Total ..	81,47	47,38	1,11,90	81,34	1,67,63	2,41,72
7. Deduction from or additions to cash balance and short term Deposits.	—15,88	70,28	—18,04	—48	5,35	—30,04
Total ..	65,59	1,17,66	93,86	80,86	1,72,98	2,11,68

N. B.—The Surplus or deficit as exhibited in this statement is in accordance with the accounts published by the Comptroller. The difference between the figures given here from the corresponding figures shown in the statement printed on page 4 of the Report is explained in the foot-note therein.

APPENDIX IV.

(*Vide* Para 230. Page 77)

STATEMENT OF LIABILITIES AND ASSETS FOR THE YEARS 1916-17 TO 1921-22. (Revised.)

(In thousands, 000 omitted,)

Liabilities	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22 (Revised)
1 PERMANENT DEBT.						
Mysore Railway Loan of 1882 ..	33	7	7	7	7	...
Mysore Sterling Loan of 1886	1,60,62	1,60,62	1,60,62	1,60,62	1,60,62	1,60,62*
4 per cent Loan 1906-07	20,00	20,00	20,00	20,00	2,20	1,00
5½ per cent Loan 1919-20	...	...	...	...	10,85	10,00
6½ per cent Loan 1920-21	...	...	...	...	1,29,00	1,20,00
6½ per cent Loan 1921-22	...	...	...	...	...	30,00
7 per cent Loan 1921-22	...	...	...	...	...	1,95,00
	1,80,95	1,80,69	1,80,69	1,80,69	3,02,83	5,17,00
II. UNFUNDED DEBT.						
Insurance and Provident Funds... ...	41,01	45,05	46,70	54,14	58,91	64,00
Savings Banks Deposits	62,32	72,18	85,83	91,88	77,10	75,00
Endowments	11,10	12,18	12,67	14,76	15,75	16,00
	1,14,46	1,29,41	1,45,20	1,60,73	1,51,76	1,55,00
III. LOCAL AND OTHER FUNDS. ..	44,61	51,68	63,14	74,28	64,28	59,00
IV. DEPOSITS.	24,87	47,67	31,37	35,03	21,11	21,00
V. RESERVE FUND.						
Famine Insurance					48,15	50,00
Interest on Capital Expenditure ...					...	...
Special Reserve for Non-recurring ...					...	...
Irrigation Capital ... –					11,10	...
C. P. S. Depreciation Fund	86,95	1,20,98	1,49,82	1,73,07	48,07	52,00
Sandal Oil Factory					2,11	3,00
Mining Revenue Capitalisation Fund ...					35,52	37,00
Sinking Fund for Loans					4,19	...
Kolar Gold Fields Depreciation Fund ...					5,27	5,00
Sinking Fund etc., 6½ per cent ...					9,82	14,00
	86,95	1,20,98	1,49,82	1,73,07	1,61,36	1,72,00
VI. MISCELLANEOUS	...	10,36	8,03	21,91	18,79	10,00
Total ...	4,51,84	5,40,79	5,78,24	6,45,70	7,23,01	9,34,00
Excess of Assets over Liabilities ...	6,35,85	6,44,24	5,93,23	5,76,47	5,82,57	5,71,00
Grand total ...	10,87,69	11,85,02	11,71,47	12,22,17	13,05,61	15,05,00

Assets	1916-17	1917-18	1918-19	1919-20	1920-21	1921-22 (Revised)
I. CASH AND INVESTMENT.						
Cash Balance	66,18	1,10,96	1,06,00	1,07,44	1,20,79	91,00
Investment Account	2,83,89	2,55,24	1,82,10	1,51,57	98,28	1,54,00
Advances and Loans	10,04+ 24,17	75,20	66,42+ 26,38	84,16	83,20	82,00
Railway Sterling Loan Sinking Fund Investment.	92,61	97,65	1,01,30	1,05,11	1,10,17	1,16,00
Investment of Sinking Fund for new Loans.	...	...	...	...	...	14,00
Miscellaneous	5,89	...	...	...	...	...
Total ...	4,82,78	5,39,05	4,82,70	4,48,29	4,12,45	4,57,00
II. CAPITAL.						
Railways	3,50,64	3,66,95	3,82,34	4,06,73	4,38,00	5,02,00
Electrical Works	1,10,77	1,16,60	1,20,50	1,30,63	1,42,87	1,78,00
Krishna Raja Sagar Works etc. ...	1,24,31	1,40,07	1,55,66	1,72,34	1,95,96	2,05,00
Sandal Oil Factories	3,13	5,21	5,95	6,29	6,67	7,00
Iron Works	...	36	8,04	82,79	90,20	1,36,00
Other Works	...	...	..	76	2,20	2,00
Kolar Gold Fields Water Supply ..	16,06	16,78	16,28	16,34	17,26	18,00
Industrial Investment	...	...	...	8,00	...	...
Total (ii) ...	6,04,91	6,45,97	6,88,77	7,73,88	† 8,93,16	10,48,00
Grand Total ...	10,87,69	11,85,02	11,71,47	12,22,17	13,05,61	15,05,00

* NOTE :—Taking exchange at 1 sh. 4 d. the Rupee which is about the present level of exchange, the equivalebt of the Sterling Loan in Rupee Currency in 160 lakhs.

† Including 8·36 lakhs, being the value of Government lands given in exchange of those submerged.

Mono W D 50—GPB—300—29-7-22.